

1. **Parties.** This is a contract for personal services between the State of Vermont, Department of Vermont Health Access (hereafter called "State"), and Goold Health Systems, Inc., an Emdeon company with a principal place of business in Augusta, Maine (hereafter called "Contractor"). The Contractor's form of business organization is a Corporation. The Contractor's local address is 45 Commerce Drive, Suite 5, Augusta, ME. It is the Contractor's responsibility to contact the Vermont Department of Taxes to determine if, by law, the Contractor is required to have a Vermont Department of Taxes Business Account Number.
2. **Subject Matter.** The subject matter of this contract is personal services generally on the subject of the Vermont Health Services Enterprise Pharmacy Benefit Manager. Detailed services to be provided by the Contractor are described in Attachment A.
3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$12,926,788.55
4. **Contract Term.** The period of Contractor's performance shall begin on May 1st, 2014 and end on December 31st, 2017. This contract may be extended for two (2) additional one (1) year terms.
5. **Prior Approvals.** If approval by the Attorney General's Office, the CIO/Commissioner of DII, or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.

Approval by the Attorney General's Office is required.
Approval by the CIO/Commissioner of DII is required
Approval by the Secretary of Administration is required.

6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.
7. **Cancellation.** This contract may be terminated in three ways. It may be terminated by either party for non-cause. A non-cause termination may occur provided one hundred eighty (180) days' notice is provided to the other party pursuant to paragraph 8 below. The contract may also be terminated for cause. In this case, either party may terminate for cause provided sixty (60) days' notice is provided to the other party pursuant to paragraph 8 below. Finally, the contract may be terminated immediately in the event federal funding is withdrawn from the State. In this event only, Goold shall be paid for the work performed at the time of the termination.
8. **Notice of Contract Action.** For purposes of this contract the parties agree that the following persons and addresses shall be used to notify either party of a contract action:

State:
Kate Jones, Dept. of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston VT, 05495

Contractor:
James Clair, Goold Health Systems
45 Commerce Drive, Suite 5 PO Box 1090
Augusta, ME. 04332-1090

9. **Attachments.** This contract consists of 150 pages including the following attachments, which are incorporated herein:
Attachment A - Specifications of Work to be Performed

Attachment B - Payment Provisions
Attachment C - Customary State Contract provisions
Attachment D - Other Provisions
Attachment E - Business Associate Agreement
Attachment F - Customary Contract Provisions of the Agency of Human Services
Attachment G - Required Forms
Attachment H - Glossary

The order of precedence of documents shall be as follows:

- 1). This document
- 2). Attachment D
- 3). Attachment C
- 4). Attachment A
- 5). Attachment B
- 6). Attachment E
- 7). Attachment F
- 8). Other Attachments

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.

BY THE STATE OF VERMONT:

BY THE CONTRACTOR:

MARK LARSON, COMMISSIONER
312 Hurricane Lane, Suite 201
Williston, VT 05495-2087
Phone: 802-879-5901
Email: Mark.Larson@state.vt.us

DATE

LOWELL STOKES, VICE PRESIDENT & DEPUTY
GENERAL COUNSEL
Goold Health Systems, Inc., an Emdeon Company
3055 Lebanon Pike
Nashville, TN 37214
Phone: 615.932.3000
Email: LStokes@emdeon.com

DATE

ATTACHMENT A
SPECIFICATIONS OF WORK TO BE PERFORMED
PHARMACY BENEFITS MANAGEMENT SOLUTION

SCOPE OF WORK

OVERVIEW

Vermont serves approximately 180,000 Medicaid beneficiaries who have pharmacy benefits. In support of the pharmacy benefits program the State requires support in the areas of claims adjudication, call center operations, utilization management, drug utilization review, benefit design, clinical support, rebate management, reporting and analytics. The Contractor shall assist the State in managing the State's publicly-funded pharmacy benefits programs. The Contractor shall provide a Pharmacy Benefits Management Solution (PBMS) including clinical and operational services and the software design, development, and technical support to deliver those services. The Contractor's PBMS must comply with Centers for Medicare and Medicaid Services' (CMS) Seven Standards and Conditions and CMS' Medicaid Information Technology Architecture (MITA) 3.0 and must be closely integrated with Vermont's Medicaid Managed Information System (MMIS) solution, which is an integral part of Vermont's Health Services Enterprise (HSE). The Contractor's systems and services must support the goals of the Department of Vermont Health Access' (DVHA) Pharmacy Benefits Programs, namely to assure access to and the availability of safe, efficacious, and clinically appropriate drug therapy at the lowest cost possible. In addition, the Department strives for business processes that reduce administrative burden providers, beneficiaries, and the State throughout the duration of the contract.

The Contractor must be innovative and proactive in employing business techniques that ensure enhanced quality of care under the pharmacy benefit while helping the State control the growth of pharmacy benefit expenditures. The Contractor shall research and recommend to the State sound clinical and fiscal policies that shall ensure that the goals of the pharmacy benefits program are met. The Contractor must also support the State's health reform efforts relative to the single payer/single formulary vision, and payment reform models.

OBJECTIVES

The State's primary objectives in executing this Contract are to continue to enhance quality of care; improve access to those who need it; control pharmacy expenditures on behalf of the individuals for whom the State provides coverage; and efficiently manage program administrative costs. Based on the State's expectations and the Contractor's acceptance of this agreement, the parties agree that the following are important objectives in this contract including but not limited to:

- Maintaining a Preferred Drug List (PDL) to assure clinically appropriate and cost-effective coverage in high-use and high-cost drug categories;
- Increasing the use of clinically appropriate generic and other lower cost drugs;
- Managing the drug benefits through more intensive clinical management to improve overall quality and outcomes;
- Protecting the health of beneficiaries through use of retrospective and prospective drug utilization review (DUR) to prevent inappropriate drug dispensing and/or use;
- Maintaining positive relationships with the provider community including providing appropriate clinical information to improve prescribing, and cost information to assist in product selection;
- Provide administrative support to the State for the multi-state supplemental rebate process;
- Limiting paid claims to those submitted for eligible clients, by eligible providers, and for covered drug

services;

- Preventing payment of fraudulent or duplicate claims;
- Cost-avoiding claims for beneficiaries with third party liability coverage (hereinafter referred to as COB and/or TPL) for pharmacy services;
- Providing maximum efficiency in pharmacy claims processing through advanced technology and services; and
- Managing the program at the lowest administrative cost possible

The both parties agree that the Contractor shall work with the State, prescribers, beneficiaries, pharmacies, drug manufacturers, and other stakeholders to find the most effective ways to control drug costs. These efforts shall include appropriate therapeutic controls and careful monitoring of performance and pricing.

Where applicable in the specification of work in this contract agreement, Contractor will adhere to Federal Guidelines: Public Health (42 CFR 495), General Administration (45CFR 95), and all other Federal Regulations that may apply.

Obligations of the Contractor:

Major components of the clinical and operational services and supporting systems within the scope of this Contract are described in this section.

The requirements in this section are further defined by Appendix I

I. Point-of Sale Pharmacy Claims Processing System

The Contractor shall implement, operate, and maintain a Point-of Sale Pharmacy Claims Processing System (“POS System”) consisting of a data-driven, user configurable rules engine for the validation and pricing of claims. The POS System must be compliant with all applicable federal, state, and industry standards, such as the most recent release of the NCPDP Telecommunications standards and HIPAA. The Contractor’s is fully responsible for all claims adjudication as well as providing a system that must be capable to accept and adjudicate all drug claims. The State’s Medicaid Management Information System (MMIS) is responsible for making payments to providers for all claims accepted for payment. The Contractor must provide adjudicated claims data to the State’s MMIS on a State-defined schedule so that the MMIS may conduct their operational responsibilities, including generating payments to providers. The POS System must apply a variety of rules and edits to assure proper claims adjudication. The system must be capable of adding, changing or removing adjudication rules, edits and customized transmission messages to accommodate State-required changes for its current and future pharmacy programs.

At a minimum, the POS System shall have the following functionalities and capabilities:

- a. Eligibility, Pharmacy, and Prescriber Validation
The Contractor must approve or deny benefits to covered individuals based on reliance upon the eligibility lists provided by the State. In the event of any retroactive termination of members, the Contractor shall provide a report to the State for all claims approved for such members prior to their termination.
- b. Drug Coverage Validation (NDC/UPC)
- c. Claims Pricing (such as SMAC, FUL, AWP, U&C, NADAC, Dispensing Fees)
- d. Claims Messaging including NCPDP standard and “free text” customized messages for paid and denied claims

- e. Automated Prior Authorization (POS-PA)
The Contractor must provide a claims adjudication system that performs automated determinations of PA criteria during the on-line adjudication process. The system must allow drugs to bypass the manual PA process when Department-specified criteria are present in a patient's profile on the claim date of service. The POS-PA process shall be based on the State's PDL and must apply a PA with a state-defined expiration date. The Contractor shall work with State staff to define the drugs managed through the automated POS-PA program.
- f. Drug reference database
- g. Provider reference database
- h. Rebate Validation
- i. Clinical Edits including Preferred Drug List, Prior Authorization, Step Therapy, Quantity Limits, and Prospective DUR
- j. Plan Design Edits (such as Days' Supply, Cost Share, COB)
- k. Compound drug detail claims processing
- l. Coordination of Benefits (COB) Edits
 - i. The Contractor must validate claims to determine whether there is one or more liable third party that must be billed prior to billing the Department's programs including, but not limited to, the following:
 - 1. Denying payment for claims when a Member is covered by one or more carriers until the billing provider indicates the claim has been fully adjudicated (paid or denied) by the other payer(s);
 - 2. Utilizing the State's Third Party Liability (TPL) data and eligibility records to ensure that all payment opportunities are exhausted;
 - 3. Processing claims where multiple third parties are liable;
 - 4. Overriding COB editing as specified by the Department;
 - 5. Maintaining indicators to identify Medicare Part B and D drugs and process the claim balance remaining after subtracting the Medicare Part B or D payment for beneficiaries dually enrolled in Medicare and any of the Department's programs;
 - 6. Coordinating benefits automatically with all primary payers including capturing and storing the primary payer's data; and
 - 7. Obtaining maximum cost avoidance and reimbursement for beneficiaries covered by third parties.
- m. Reimbursement for professional services (such as vaccine administration, medication therapy management)

II. Provider Support Services

- a. Provider Call Center
The Contractor must implement, staff, and operate a call center (e.g. help desk), available 24 hours a day, during every day of the year, including all holidays, to support all pharmacies and prescribers enrolled in Vermont's pharmacy benefits programs. The help desk solution must be staffed by the Contractor with employees hired specifically to support the State of Vermont, and must be located in Vermont within 10 miles of the State's pharmacy staff offices. The Contractor must be the first point of contact for pharmacy and medical providers with questions, concerns and complaints and must implement and maintain a provider contact and problem resolution tracking system. The call center solution must be fully-supported by a phone system, including automated call routing, and interactive voice response. In addition, the solution must be supported by a technical call management application, to facilitate logging, tracking, and resolution of all calls and issues in addition to facilitating performance monitoring of call center

activities. Core features of the call management application must include workflow process and queue management. The system must be capable of scalability to accommodate variability in call volumes, and must be capable of handling peak call volumes.

The call center must assist pharmacies with claims processing issues, drug coverage questions, and all other inquiries and issues. The call center must accept and process requests for prior authorization from providers that cannot be managed through the automated POS-PA system, in addition to answering any other inquiries from providers for example, PA status inquiries, and drug coverage questions. The call center system must, at a minimum, document and track contacts with providers, identify issues and describe problem resolution. The Contractor must review the data submitted by providers, obtain any corroborating information, and prepare an analysis of the issues. The analyses must be reviewed with Department staff at regularly scheduled meetings.

b. Provider Web Portal

The Contractor must implement, operate, support, and host a Provider Web Portal that enables pharmacies and prescribers to electronically access services specific to their practices with access granted to the State. Contractor must provide support, updates, and maintenance of the Provider Web Portal as required by the State. The Contractor guarantees that any data exchange on its website between the Contractor and the State or providers shall conform to the security requirements set forth in Attachment D of this Contract. At a minimum, the portal must provide a secure, electronic means for both pharmacies and prescribers to validate member eligibility; view drug history; view the preferred drug list and clinical criteria; submit a PA request; check on the status and expiration date of a PA; support pending PA status inquiries; provide relevant pharmacy policy and procedure manuals and other instructional documents; document repository for pharmacy program announcements and updates; MAC list; drug coverage policies; and provide appropriate contact information for various help desks and Contractor Key Personnel staff. It is the State's and the Contractor's objective that this portal integrate with the State's Enterprise Health Services Platform for identity and access management and each shall work cooperatively toward that objective.

The provider portal must also have administrator features such as user activity reports (ex. number and type of PA requests, user access requests, and PA determination status; user maintenance features such as creating and updating the accounts of other administrators, reviewing and approving or denying login requests from new users; viewing activity logs such as failed logins and unauthorized access attempts. The Contractor must provide technical support for portal users.

c. Provider Communications

The Contractor is responsible for creating and disseminating, with State approval, all provider communications related to the pharmacy benefits programs, and must maintain current contact information for the provider networks. Communications include information that is shared via the web, provider portals, mail, email, fax, or telephone communications.

The Contractor shall be responsible for the education of prescribers on programs specifics and benefits, the preferred drug list, and the program's utilization review and prior authorization procedures. The Contractor shall perform education of network providers on program specifics, program changes and on claim submissions as defined by the State.

The Contractor shall update the pharmacy provider manual as each change program is implemented.

The contract shall maintain and communicate educational materials to the provider network as necessary.

The Contractor shall be responsible for certain Member education activities, as identified by the State. An example would include such items as prescription drug program announcement letters. The Contractor shall provide text for Member handbooks that provide information about the pharmacy benefits. Emphasis should include, but not be limited to, information regarding the preferred drug list and use of generics. Any member education material must be reviewed and approved by the State prior to distribution.

The Contractor shall assign one member of the Account Team to be responsible for the execution of the communication strategies and training plans that shall be developed for each identified impacted group. The Contractor, in conjunction with the State, shall identify the groups to be contacted.

The strategies shall be implemented by:

- Direct involvement with prescribers and pharmacy providers to educate them about program intent, the process that was used to determine the PDL and the content of the PDL, the processes to be followed to obtain a PA if necessary, resolution of issues that arise, and how they can assist to make them a success.
- Direct involvement with constituent groups to help facilitate their understanding of the program and the processes that must be followed.

The designed Contractor Key Personnel Team member shall also act as a point of contact for the provider community to get additional information on the program as well as being a focal person for the issues that need to be addressed.

d. E-Prescribing-Electronic Health Record Support

The Contractor must support the State in its efforts to promote the electronic exchange of drug information to support administrative simplification and to ease provider and State burden. Specifically, the Contractor must support e-prescribing and the exchange of pharmacy benefit eligibility validation, medication history, and preferred drug list (PDL) information. This information must be made available to all enrolled provider's Electronic Health Record (EHR) systems statewide. When requested through and EHR, the Contractor shall ensure accurate and meaningful displays of PDL information such as preferred and non-preferred drugs, alternative preferred drug selections, drugs that require PA, have quantity limits, step therapy, and other coverage limitations. This information must be displayed and made available to prescribers at the time of prescribing. The Contractor must develop routine reports to the Department on e-prescribing activities. A quality assurance plan must be implemented to assure system integrity of the information required to support e-prescribing for the Department.

e. Electronic Health Record Prior Authorizations (EHR-PA)

The State is interested in implementing an automated prior authorization process through provider's electronic health records. The State acknowledges that the transaction standards may not be finalized at the time of contract execution. Upon finalization of these standards, both parties agree that the Contractor shall develop an automated prior authorization process through the provider's EHR's. This capability shall allow a prescriber to request and receive a decision on a PA in real-time at the time of prescribing.

III. Utilization Management Services

a. Prior Authorization Program

The Contractor must provide a state of the art prior authorization (PA) program. These services must encompass drugs processed through both the pharmacy benefit and those physician-administered drugs processed through the medical benefit. The PA program must be capable of utilizing medical codes such as CPT, HCPCS, ICD-9, and ICD-10 codes to make PA determinations in an automated fashion through POS. In addition, the PA process must accommodate the electronic submission of forms, via provider portals, to the provider call center for manual PA determinations. The PA program must include a process by which providers may request a non-preferred drug on the PDL with clinical criteria for use (PA), quantity limits, step therapy, and other coverage limitations. The Contractor must develop and communicate to providers and other interested parties, all clinical criteria, procedures for its application, and proper documentation of all clinical decisions. The Contractor shall conduct all first reconsideration review of denials by a staff clinical pharmacist and/or and physician, and must provider proper written notification of all denials and approvals to members and providers within timelines established by applicable Federal and State laws and State policies.

Additionally, the Contractor must provide detailed and ongoing evaluation of the PA program such as evaluation of drugs, criteria, return on investment, and recommendations for change. Provider PA support must be supported by a clinical decision rules engine and workflow support products. The PA program must be further supported by clinical, pharmacy, and technical staff to support PA consulting and design, as well as support PA determinations as part of ongoing operations.

b. Support of Second Reconsiderations and Appeals

The Contractor must support the Second Reconsideration (SR) and appeal process for drugs whose coverage has been denied. Second reconsiderations occur when a drug has not met the clinical criteria for coverage, the PA has been denied and the prescriber has asked for a second reconsideration by Contractor and State clinical staff. An appeal occurs when a drug is designated not covered by the pharmacy benefits program, or the criteria for coverage have not been met and the Beneficiary requests an appeal of the State's decision not to cover the medication. The State receives a number of requests for SR or appeal, and each of these must to go through a thorough physician review process.

The Contractor must support the State's SR and appeal process, including, but not limited to: Notifying providers and beneficiaries of their appeals rights in accordance with the State's policy; coordinating with State personnel who oversee the SR, grievance and appeals process; preparing the appropriate reports and documentation to support the Contractor's actions resulting in the request for a second reconsideration or appeal from a provider or beneficiary. The Contractor must provide the services of a licensed pharmacist and/or physician to provide clinical review, support, and oversight of an SR or appeal related to pharmacy benefit services and claims disputes. The Contactor must comply with the mandates and timelines stipulated by the State, and Federal and State policy.

The Contractor must coordinate the State's Second Reconsideration Process, a process by which prescribers can request a "second review" by the State's senior medical staff, potentially avoiding an appeal. The Contractor must thoroughly document the second reconsideration request, prepare the appropriate reports and documentation to support the Contractor's actions

resulting in the request for a second reconsideration, and work with the State's senior medical staff in determining whether the medication should be covered based on extenuating circumstances of the beneficiary. The Contractor must communicate the results of Second Reconsiderations to the requesting prescriber and the beneficiary both orally and in writing.

c. Preferred Drug List and PA criteria development and maintenance

The Medicaid Preferred Drug List (PDL) is formulated under the direction of the State's DUR Board acting as the State's Pharmacy and Therapeutics (P&T) Committee and applicable State and Federal law. Policy formulation and drug coverage parameters shall continue to be part of the State's oversight, although the Contractor shall provide expert consultation and input at these activities. The Contractor is expected to administer the drug coverage design developed with the guidance of the State and the State's DUR Board.

The Contractor shall manage the Department's PDL program and provide clinical analysis, guidance, and recommendations to the State and its advisory DUR Board for consideration. The Contractor must assure clinical integrity of the PDL so that recommended therapeutic classes and preferred drugs accurately reflect evidence-based drug use. The Contractor must prepare and present clinically sound drug reviews incorporating the latest clinical evidence by drug, therapeutic class, and disease state; track new drugs entering the market, recommend new drugs or therapeutic classes for PDL management; review new drugs, existing drugs, and therapeutic classes on a regular basis according to State regulations and policies; review and present safety alerts or other relevant drug information; The Contractor must manage the PDL in the POS System as well as maintain a printed version of the PDL and Clinical Criteria Manual. Contractor shall make the PDL available to prescribers and pharmacy providers through electronic means, including via the Provider Web Portal, prescriber's practice management system's electronic health records, and ePocrates®).

d. Specialty Drugs, Limited Distribution Drugs, and Physician-Administered Drugs

The Contractor shall coordinate the State's pharmacy benefit management programs and services with the Contractor's specialty pharmacy services in order to better support beneficiaries in managing complex health conditions. In addition, the Contractor shall assist the State in managing the increasingly high cost of specialty drugs through clinical and utilization management and consultative support to identify the optimal clinical management, site of dispensing, and site of service for the State. This shall encompass at a minimum specialty pharmaceuticals, limited distribution drugs, and physician-administered drugs. With the State's input and cooperation, the Contractor shall create, administer, and maintain an overall strategy for the State to manage physician-administered drugs. This must include the breadth of clinical and utilization management services such as drug utilization review, prior authorization, step-therapy, quantity limits, and PDL management and support. It must also include consultative support to identify the optimal site of service, and may also include claims adjudication.

e. Specialty Pharmacy

The Contractor shall provide Specialty Pharmacy Services to beneficiaries of Vermont's publicly funded programs. A Specialty Pharmacy is a pharmacy, enrolled as a Vermont Medicaid provider, that provides specialty pharmacy services Vermont beneficiaries. Specialty pharmacy services includes but is not limited to: dispensing specialty pharmacy medications, assuring the

successful delivery of such medications to beneficiaries, and providing educational services to beneficiaries regarding managing their disease and medications. This education may include, for example, collaboration with prescribers and other members of the patient's health care team to assure medication compliance, adherence, and successful management of side effects.

Pursuant to Attachment C, section 15, execution of this Contract shall constitute the State's requisite written consent for Contractor to subcontract performance of the Specialty Pharmacy Services described herein to Diplomat Pharmacy Services [insert "Inc." or "Corp." or whatever complete business name may be]. For the avoidance of doubt, Contractor shall remain liable for the satisfactory performance of all work required under this Contract.

According to the Academy of Managed Care Pharmacy (AMCP), a product can be classified as a specialty pharmaceutical if:

- i. *It requires a difficult or unusual process of delivery to the patient (preparation, handling, storage, inventory, distribution, Risk Evaluation and Mitigation Strategy (REMS) programs, data collection, or administration) or,*
- ii. *Patient management prior to or following administration (monitoring, disease or therapeutic support systems).*

Specialty pharmacy is the fastest growing segment prescription drug costs in the U.S. The State is focused on providing the highest quality Specialty Pharmacy services to its beneficiaries while also controlling the cost of these expensive medications. The Contractor's Specialty Pharmacy services shall be capable of managing the delivery of complex medications to beneficiaries with complex and costly diagnoses. The Contractor's Specialty Pharmacy services shall serve as an educational resource for patients and be available for patients 24 hours each day for every calendar day of the year. The Contractor shall utilize multiple ways to educate patients with self-administration of complex medication regimens, using a personalized, high-touch approach. The Specialty Pharmacy shall support beneficiaries with education of their illness, medication regimens, side-effect management, and by collaboration on patient care teams. Overall, the Specialty Pharmacy shall ensure that Vermont beneficiaries are well supported with the management of their disease.

Consistent with Medicaid rules, Contractor shall not refuse to dispense a prescription to a Medicaid Beneficiary who does not provide the copayment. However, the Beneficiary shall still owe the pharmacy any copayment that is not paid. The Specialty Pharmacy may not charge shipping costs to Beneficiaries. In instances where prior authorization criteria is not met, or the beneficiary has primary insurance that does not cover the specialty medication, the State may authorize coverage for the specialty medication on a case-by-case basis, if the State determines the specialty medication is medically necessary for the patient. State rules on appeals and reconsiderations apply.

The Specialty Pharmacy shall ensure timely shipments of specialty medications to all State beneficiaries, regardless of their location in or out of the State. Medications that require temperature control shall be kept at the appropriate temperature during shipment and delivery. The Specialty Pharmacy shall allow State beneficiaries to request that their medications be shipped to an alternate location, if necessary. The Contractor must ensure that signatures of receipt are received when a package is delivered. The Contractor must provide emergency shipments using local suppliers if necessary if a shipment is delayed or while a lost shipment is being located. The Specialty Pharmacy shall ensure that each prescription is tracked throughout

the delivery process so the medication can more easily be found if it becomes lost. The Specialty Pharmacy shall make every effort to find medications lost in the mail and deliver them to the Member in a timely manner.

The Specialty Pharmacy shall be proactive in providing the recommendations for controlling specialty costs without compromising quality of care. It remains the Department's final decision to allow or to require certain drugs be dispensed through the Specialty Pharmacy. The Contractor's Specialty Pharmacy must abide by the Department's Preferred Drug List and Clinical Criteria Manual. The Specialty Pharmacy shall not allow automatic refills of specialty medications and must make every effort to reduce waste. The Contractor and Specialty Pharmacy shall advise the State about optimal drug sourcing for specialty medications, for example, brown bagging, white bagging, buy and bill and other strategies. The State reserves the right to terminate its relationship with the Contractor's Specialty Pharmacy if service delivery is not to the State's expectations, or if the State decides to solicit better pricing on Specialty pharmaceuticals through a competitive bidding process.

f. Drug Utilization Review

The State has responsibility for meeting federal requirements related to Drug Utilization Review (DUR) activities which includes Prospective DUR, and Retrospective DUR, including potential fraud and/or abuse assessment, and educational programs. The DUR Board manages and oversees the DUR programs. The Contractor shall consider these programs as a clinical continuum of utilization management of prescribing habits, provider dispensing practices, and Member abuses or misuses of the system. The Contractor must use advanced Prospective DUR techniques and Retrospective DUR, which analyzes and evaluates patterns of use to direct educational and intervention initiatives. The goal of these activities is to ensure that prescriptions are appropriate, medically necessary and that they do not result in adverse drug events. The DUR program functions as an adjunct and support to the prescriber and the pharmacist's education and professional judgment and does not replace the human cognitive review process.

The Contractor must implement, maintain, and operate a full-service Prospective POS along with Retrospective Drug Utilization Review programs that comply with all federal regulations, in particular Section 1927 of the Social Security Act. The Contractor must develop active and ongoing educational outreach programs to educate practitioners on common drug therapy problems, in order to improve prescribing or dispensing practices. The DUR programs must include provider communications, and other educational components such as educational outreach, and peer-to-peer education. In addition, the programs must monitor prescribing activity, patterns of prescribing, and other activities to avoid adverse drug events and improve compliance with clinical best practices. Drug utilization review services must encompass drugs processed through both the pharmacy benefit and those physician-administered drugs processed through the medical benefit. The Contractor must draft and finalize, with State approval, the CMS annual DUR report as described in Section 1927(g)(3)(D) of the Social Security Act.

DUR compares data on drug use against predetermined standards, consistent with peer-reviewed literature and the recommendations of the State's DUR Board. The assessment must include, but need not be limited to:

- Monitoring for therapeutic appropriateness
- Over-utilization and under-utilization

- Therapeutic duplication
- Drug-disease contraindications
- Age/gender contraindications
- Drug-drug interactions
- Drug allergy interactions
- Incorrect drug dosage or duration of drug treatment
- Clinical abuse/misuse
- Appropriate use of generic products

The DUR programs must have criteria to screen and identify potential fraud and abuse by prescribers, pharmacists, pharmacies, and beneficiaries. The Contractor approach must be able to distinguish between fraud and unintentional processing errors. The Contractor's approach should include manual and system supported tools to track and monitor cases where the potential exists. The Contractor must have processes to report cases of suspected fraud as designated by the State.

The assigned Contractor Key Personnel Clinical Pharmacist shall be responsible for daily oversight of the pharmacy programs and provide clinical analysis and guidance to the DUR Board. The Clinical Pharmacist must coordinate with the DUR Board, which includes health care professionals who are responsible for approving all DUR programs. The Clinical Pharmacist shall present a DUR plan to the DUR Board for consideration at least twice a year, including a description of all proposed DUR programs and dates for execution. On an annual basis, the Contractor shall prepare a report to the State that includes a description of the DUR activities, the scope and nature of the Prospective and Retrospective drug use review programs, a summary of the interventions used, and an assessment of the impact of these educational interventions on the quality of care, and an estimate of the medical and pharmacy cost savings generated as a result. This report shall be used to evaluate the effectiveness of the DUR program.

In addition to DUR program monitoring specified above, the Contractor shall analyze utilization patterns on a quarterly basis for beneficiaries/pharmacies/prescribers for the following characteristics, or other characteristics recommended by the Contractor and agreed to by the State, including but not limited to:

- i. Large number of prescriptions per month;
- ii. High cost prescriptions;
- iii. Prescriptions from multiple pharmacies or prescribers;
- iv. Disproportionate prescribing or dispensing patterns;
- v. Low generic substitution;
- vi. High dispense as written rate; and
- vii. High number of DUR overrides.

g. Drug Utilization Review Board Support

The Drug Utilization Review (DUR) Board in Vermont serves a dual function. One is oversight of the Department's drug utilization review function. The Board advises the State in the establishment and implementation of standards and criteria for the retrospective and prospective DUR programs. In addition the Board reviews and assesses educational interventions for physicians, pharmacists and beneficiaries that improve care, and reviews the results of DUR activities performed by the State. The second function of the DUR Board involves the Board's guidance on the development of the Preferred Drug List (PDL) for the State's pharmacy benefits programs. This involves reviewing drugs and therapeutic classes for clinical appropriateness,

cost-effectiveness, and placement on the PDL.

Under 42 U.S.C. §§ 1396r-8 (g)(2), subsections (A), (B) and (C) and (g)(3)(C) the Contractor shall perform the following functions:

- i. Post proper agendas under the Vermont Open Meeting's Law to announce each DUR meeting;
- ii. Create an agenda for the meeting in consultation with the State's Pharmacy Director;
- iii. Create materials based on the posted agenda for the members of the DUR;
- iv. Send materials to DUR Board members at least 14 days prior to the meeting;
- v. Use the Contractor's Key Personnel Clinical Pharmacist to present study items and action items at the meeting;
- vi. Make a written record discussions and votes at each meeting;
- vii. Create draft minutes within 3 days after the meeting, for State review and posting, and for approval of the Board at the next meeting;
- viii. Annually, create a meeting schedule for the following calendar year within 60 days of the end of the prior year;
- ix. Consult with the State's Medical Director and Pharmacy Director after the meeting to determine what recommendations taken by the DUR will be implemented;
- x. Implement actions recommended by the Board and authorized by the State to the extent requested by the State.

IV. Pricing and Financial Management

- a. State Maximum Allowable Cost (SMAC) Program and the Federal Upper Limit (FUL)
The Contractor must implement, administer, and maintain a State MAC and Federal Upper Limit that complies with all federal and state regulations and policies. The Contractor must establish a State MAC by setting rates on prescription and over-the-counter multiple-source generic drugs rated as therapeutic equivalents (A-rated) according to the FDA Approved Drug Products with Therapeutic Equivalence Evaluations. The Contractor's methodology for determining a MAC rate must be available and transparent to the State, and the Contractor must make available MAC rates to providers on the web and/or through provider portal. The Contractor must also ensure the State's MAC rates, when compared with Federal Upper Limit (FUL) rates published by CMS, in aggregate, do not exceed FUL rates for CMS-specified products. The Contractor must calculate, interpret, and present this aggregate calculation monthly to State staff.
- b. Rebate Management
The Contractor must support the State in operating a federal, state, and supplemental rebate program compliant with all provisions of 42 U.S.C. § 1396r-8(b) and other state and federal laws governing rebate programs. The Contractor shall implement all accounting functions that are part of the drug rebate program, including but not limited to preparing and submitting manufacturer invoices quarterly.

The Contractor must manage all aspects of rebate support including, but not limited to:

1. Producing Drug Rebate Invoices for drug manufacturers
2. Processing the CMS Rebate Utilization files
3. Providing rebate reporting to the State and partners
4. Reconciliation and resolving drug rebate disputes
5. Supporting manufacturer inquiries such as claims level detail
6. Supporting the State in maximizing the value of the rebate programs

ii. Supplemental Rebate Program Administration

The Contractor must support the State in managing the Supplemental Rebate program. The Contractor may be required to identify, schedule, and coordinate meetings with the designated manufacturers on behalf of the State. The contractor shall evaluate rebate proposals to determine what proposals are most appropriate clinically and financially for the State and provide the State with options. The State must have final approval on the preferred drug list for its beneficiaries. The State must be provided with a projection of rebate dollars due for the next quarter.

At a minimum, the Contractor must:

1. Work with the SSDC Vendor in conjunction with the Department as necessary to administer the program
2. Bid review and selection, determining the value proposition for the State on rebate acceptance
3. Contract finalization with manufacturers
4. Annually assist with modifications to the Supplemental Rebate Agreement, and obtaining CMS approval
5. Rebate invoicing, collections, dispute resolution, and reporting
6. Clinical management
7. Development of clinical criteria in support of its PDL
8. Manage changes to the PDL as a result of negotiations
9. Representing the State at all meetings where rebate business is conducted

Under 42 U.S.C. § 1396r-8(b)(3)(D) information disclosed by manufacturers or wholesalers is confidential and shall not be disclosed. Thus, the Contractor shall not disclose any manufacturer disclosed pricing without the express consent of the State. In the event of any public records request for data, the Contractor shall consult with the State's Pharmacy Director for how to proceed with a response, if any. The Contractor must comply all federal and states laws that govern rebate requirements.

c. 340B Program Support

The Contractor must support 340B program operations for the State. The Contractor must comply with all federal 340B rules and regulations, and must implement a process by which 340B claims are excluded from rebate invoices processed for manufacturers. In addition, the Contractor must provide operational support including tracking, invoicing, and financial reconciliation of the shared savings model, in addition to covered entity provider relations and support. The Contractor must provide administrative support, financial analysis, and invoicing, cost analysis, and provider support activities such as assisting covered entities with 340B enrollment, and issue resolution.

V. Reporting and Analytics

The Contractor must provide reporting and analytic capabilities and services that shall support the reporting and analysis of claims data and PBM operations. Specifically, the Contractor must provide: Dashboard capabilities that support various roles of PBM operations and user-defined reporting views/screens based upon different roles, security profiles, etc. of various stakeholders; Static or "canned" reports that are generated at predefined intervals and on demand by State users; Parameterized reports that allow State users to select from a defined number of parameters that inform a report; Parameters should include, but not be limited to: date or date range, Member, Member eligibility characteristic, program, drug, pharmacy, etc.); Ad hoc querying and reporting capabilities; capabilities

to support graphical data with presentation parameters configurable by the end-user; drill down for more detailed information; capabilities to export reporting data as seen in the report as well as the underlying data used to build the report in a variety of data formats; capabilities to support advanced analysis such as predictive analysis, root cause analysis, identification of statistical outliers; services to define, create and run, as requested by the State, additional static, parameterized and ad hoc reports in a timely manner, as described in the above descriptions. The Contractor shall assist the State in designing, preparing, running, and formatting queries, interpreting such data, and provide analysis, input, and recommendations as a result.

Standard reports must include, but are not limited to:

- a. Utilization Reports
- b. Financial Reports
- c. Auditing Reports
- d. Preferred Drug List Reports
- e. Claims Processing Reports
- f. Coordination of Benefits (COB) Reports
- g. Net Cost Reports

VI. Other Services

- a. Benefit Design, Consultative and Clinical Support

The Contractor must provide recommendations to the State staff to enhance the value of its operational and clinical pharmacy programs and services, such as identifying recommendations for program improvements, cost reduction and avoidance strategies, and operational efficiencies. The Contractor shall support the State to obtain necessary approvals and buy-in, to implement changes, and measure and report on benefits realization on an ongoing basis.

- b. Quality Assurance

The Contractor must develop and implement quality management principles and processes using best practices, consistent with industry standards, including, but not limited to:

- i. Implement Quality Improvement Processes for recurring processes
- ii. Continuous performance measurement and improvement through the use of technical reviews, internal audits, satisfaction surveys, or other assessment tools
- iii. Ongoing Contractor staff training

- c. Audits/Post Payment Claims Management

The Contractor must process post-payment claims reversals for pharmacy claims, such as corrective actions identified from post-payment audit findings, Third-Party Liability (TPL) adjustments and other adjustments.

Additional requirements are listed in Appendix I

Medication Therapy Management

The Contractor shall provide the State the Medicaid Therapy Management Program (MTMP), supported by the Contractor's GOOLD Med-Management MTMP workflow application. MTMP uses analysis of member activity to identify those needing closer clinical review of therapies. In particular, this allows focused management of high-cost members, members with high narcotic utilization, and members meeting any other criteria the State may wish to manage more closely. MTMP supports interventions, typically in the form of communications targeted to specific members and/or providers, based on severity level.

The MTMP shall use predictive modeling to analyze members that have at least 12 months of coverage and pharmacy claims data to measure the probability of exceeding set cost parameters. Within defined chronic condition disease states, the Contractor shall review factors (age, gender, and other logics) with members using a regression model that correlates chronic condition with total drug cost. Through analysis, the MTMP will score individual members based on disease states, where more costly diseases or high-risk therapies are scored higher. The Contractor shall work with the State to define suitable parameters for enrollment of members into the MTMP, which will include, at a minimum, annual cost, number of disease states, and number of covered drugs, as well as the type, frequency and target of interventions. All of these criteria, and more, will be fully configurable.

The State and Contractor shall work cooperatively to implement a targeted MTMP, based on an analysis of Vermont's utilization trends of all drug treatments exceeding a specified dollar threshold. The Contractor shall develop an annual work plan that supports and facilitates a clinical discussion between the prescriber and the Contractor's clinical staff. The Contractor agrees to work with the State in good faith to develop a MTMP that engages retail pharmacists in MTM activities. The State must approve the work plan prior to use.

The goals of the intervention will include:

- Ensuring the use of the medication comports with acceptable standards, e.g. FDA approval and/or other evidence based strategies, if relevant;
- Discussing any potential drug-drug interactions and other clinical issues relevant to the prescription;
- Discussing alternative treatments which have demonstrated efficacy and safety and which may be more cost effective in accordance with the Vermont's PDL or net cost;
- Discuss strategies to minimize waste of the high cost product, such as being very specific with regards to weight based dosing and/or package sizes;
- Evaluation of plans for follow up and any needed testing or review of drugs that must be co-administered;
- Follow up as appropriate to ensure the member is receiving the benefit expected and adhering to the medication as prescribed; and
- Advocating for very active intervention if adherence or efficacy are not as expected.

The impact of these interventions will be tracked by the Contractor. Relevant metrics would include metrics such as:

- Number of interventions described above;
- Number of interventions which lead to approval/denial/or deferral as well as any alteration in prescriber behavior such as deciding to change to another treatment, reduce dose, or prescribe smaller quantities, to name several;
- Dollar spend saved by each intervention;
- Pharmacy and medical costs before and after the intervention; and
- For selected interventions, relatively long term follow up of outcomes will help determine longer term cost savings and potentially shape future initiatives.

The annual focus of the MTMP will evolve based on how the workplan and utilization trends change, and will include discussions with the pharmacy community, led by the State, that shifts to a "pay for performance" culture.

VII. System Technical Scope

The Contractor shall provide system applications that conform to the specifications as outlined below and in

Appendix I.

a. Architecture/Policy Requirements

- i. The Contractor's PBMS shall include flexible, configurable, scalable and well-designed Service Oriented Architecture (SOA) platforms which are specifically designed for the delivery of Medicaid Pharmacy solutions.
- ii. Contractor systems architecture, as it relates to shared services capabilities, shall provide configurable or programmable interfaces that shall successfully accommodate cross-platform exchanges of data and content, coordinated with the Vermont System Integrator. The infrastructure and technology underlying Contractor solutions ensures interoperability between platforms operating elsewhere within a State's Medicaid enterprise, such as the System Integrator, Core MMIS, and/or other Vermont contractors. Contractor shall build upon current, industry standard technologies, and apply regular updates to ensure nothing is ever obsolete. All Contractor standards for storing and interfacing data are documented and provided to the State and business partners.
- iii. The PBMS delivered by Contractor shall adhere to the State Technical Architectural standards, best practices, and the State Policy.
- iv. More specific requirement details regarding Architecture and Policy requirements are addressed in detail in Appendix I.

b. General System Requirements

- v. The Contractor shall incorporate best technology practices in all products covered by this contract. Flexible design principles are a key component toward ensuring a technology approach that meets the State needs. Each new product must be designed and delivered to leverage service-oriented architecture (SOA) principles and that which the State utilizes. The PBMS delivered by Contractor shall meet best practice General System requirements. The Contractor must employ accessibility standards, processes, and best practices and apply these to all end-user applications. As external standards (such as ADA and IITA) are modified, best practices are to be enhanced and applied to any applications effected.
- vi. More specific requirement details general systems requirements are addressed in detail in Appendix I.

c. Interoperability/Interfaces

- vii. Contractor shall provide infrastructure, connectivity and interfaces, that is compliant with all applicable standards, policies, business and functional requirements set forth by the United States DHHS, CMS, and other applicable entities. The PBMS delivered by Contractor shall interface and provide interoperability with the identified the State systems. Legacy systems in place at the time of this contract shall have interfaces and interoperability consistent with those in place (periodic file transfer). Future systems replacing those legacy systems shall require interfaces and interoperability consistent with the State technical architecture standards (currently SOA). Contractor shall work with all parties involved to assure viable and reliable information transfers.
- viii. More specific requirement details regarding interoperability and interfaces are addressed in detail in Appendix I.

d. Regulatory and Security

- ix. The PBMS delivered by Contractor shall provide all the information and processing capabilities necessary for the State to be compliant with all current and revised regulations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Contractor solution shall provide for the acceptance and transmission of all Electronic State Interchanges (EDI) formats necessary for supporting all components of our solution. Contractor shall consider security and confidentiality to be of the utmost

importance in the handling of all our customers' information. To protect the confidentiality, integrity and availability of information, Contractor shall have in place appropriate physical site and data security measures. Contractor shall be compliant and maintain compliance with HIPAA and all other applicable State / Federal mandates regarding the confidentiality of Protected Health Information (PHI), including the Federal Information Processing Standards (FIPS). More specific requirement details regarding regulatory, privacy and security are addressed in detail in Appendix I - Regulatory and Security.

e. User Interface

- x. The PBMS delivered by Contractor shall provide a consistent user interface across all of the applications covered within this contract. The provider portal and other support applications must be ADA Section 508 compliant and can be configured to meet any additional requirements necessary to comply with the Federal and Vermont laws or policy.
- xi. The Contractor's PBM Portal shall provide authorized users with real-time access to claims data, drug formulary/PDL information, and PAs through a secure, web-based user interface.
- xii. More specific requirement details regarding regulatory, user interface are addressed in detail in Appendix I- User Interface.

VI. Design, Development, and Implementation (DDI) Implementation Task-Related Deliverables

The following table provides a list of deliverables that shall at a minimum, be created or provided by the Contractor during implementation for the initial DDI of all Systems, start-up of services, included in this contract and subsequent implementations related to upgrades, significant enhancements, etc. The State expects that the Contractor shall work with the incumbent Contractors to ensure that there is no disruption of service during the implementation and transition periods as well as future projects that occur after the first "go live".

a. Deliverables Expectations Documents

The Contractor must develop Deliverables Expectations Documents (DEDs), in an approved State form and format; project deliverables need to adhere to the information within the DED. No work shall be performed by the Contractor on any deliverable until the DED has been approved in writing by the State. As each project deliverable is submitted, the Contractor must include a copy of the associated Deliverable Expectation Document.

b. Deliverable Acceptance

All Contractor deliverables are subject to review by the State prior to final approval, acceptance, and payment. Acceptance of all Contractor deliverables shall be completed via a Deliverables Acceptance Document (DAD) to be drafted by the State. Deliverables must be tracked in a tracking tool approved by the State.

Task Related Deliverables

The dates reflected in the table below assume a May 1 start date for DDI. Due dates are rolled up to the milestone/Task level; exact start and end dates for each deliverable will be determined during JAD sessions and documented in the approved Project Work Plan. All deliverables must be completed on, or prior to, the assigned due date.

Task	Deliverable	Due Date
Task 1 — Project Initiation and Planning	Deliverable 1 — Project Kick-off Presentation	05/13/2014
	Deliverable 2 — Project Management Plan	06/15/2014
	Deliverable 3 — Project Work Plan and Schedule	06/15/2014
	Deliverable 4 — Weekly Project Status Reports	06/15/2014
Task 2 — Requirements Validation	Deliverable 5 — Requirements methodology and Template	08/01/2014
	Deliverable 6 — Cross-Walk of contract Requirements against Contractor's proposed PBMS	08/01/2014
	Deliverable 7 — Detailed Functional and Non-Functional Requirements Traceability Matrices	08/01/2014
Task 3 — System Design	Deliverable 8 — Configuration Design Document	08/15/2014
	Deliverable 9 — Data Integration and Interface Design Document	08/15/2014
	Deliverable 10 – Demonstration of successful data conversion, transformation and loading from all associated incumbent systems (e.g. PBM claims and history, MMIS rebate)	To be determined based on discussions with current vendor(s)
Task 4 — Configuration and Development	Deliverable 11 — Client Review of Configuration	09/30/2014
	Deliverable 12 — Unit Testing Scripts and Results	09/30/2014
Task 5 — Testing	Deliverable 13 — Documented System Test Results	10/31/2014
	Deliverable 14 — User Acceptance	TBD
Task 6 — Training	Deliverable 15 — Training Plan	11/15/2014
	Deliverable 16 — Training Materials	11/15/2014
	Deliverable 17 — Documented Evidence of Successful End-User Learning	11/15/2014
Task 7 — Deployment	Deliverable 18 — Deployment Plan	01/01/2015
	Deliverable 19 — CMS Certification Plan	01/01/2015
	Deliverable 20 — System Documentation	01/01/2015
	Deliverable 21 — Performance SLAs Reporting Tools and pre go live results	01/01/2015
	Deliverable 22 – Final Data Conversion	01/01/2015
	Deliverable 23 — Rollout (Go Live)	01/01/2015
Task 8 –Transition to	Deliverable 24 - Post go live support plan	02/01/2015

Task	Deliverable	Due Date
Operations/Production	Deliverable 25 - Systems Acceptance (punch list completion)	02/01/2015
	Deliverable 26 - CMS Certification – (letter from CMS)	07/31/2015
	Deliverable 27 - Operations and Maintenance Procedure Manuals	TBD
	Deliverable 28 - Disaster Recovery and Business Continuity Plans, Testing schedule	TBD

1. Project Management

- i. The Contractor must employ, maintain, and execute a project management methodology that complies with the Project Management Institute (PMI) standards or equivalent. The Contractor must develop and prepare a project management approach, methodology, and plan to be used for all service configuration and deployment project life cycles that follows a Project Management Plan (PMP) conforming to the Project Management Body of Knowledge (PMBOK). The approach, methodology, and plan must be developed in consultation with and approved by the State. The PMP shall incorporate the following PMBOK knowledge areas:
 1. Project Integration Management
 2. Project Scope Management
 3. Project Time Management
 4. Project Cost Management
 5. Project Quality Management
 6. Project Human Resource Management
 7. Project Communications Management
 8. Project Risk Management
 9. Project Procurement Management
- ii. For the portions of the project that the Contractor shall use the Agile methodology the following tools and processes shall be adhered to.
 1. Atlassian Jira - Software development / configuration workflow and task management.
 2. Automated build servers - This facilitates frequent builds of new and enhanced application features.
 3. Frequent deployments of fixes and enhancements - Allows business users to provide feedback early and often, creating a better feedback loop between the Contractor ' operations and technical staffs

2. Project Organizational Approach

- i. The Contractor shall provide the resources to complete the following activities:
 1. In consultation with the State, prepare, submit and obtain approval for individual project management approaches and plans
 2. In consultation with the State, and subject to State approval, execute and maintain individual project management approaches and plans
 3. Prepare and submit the draft deliverables for State review and comment in accordance with this Contract
 4. Prepare and submit the final deliverables for State review and approval in accordance with this Contract

5. Abide by the goals, objectives and requirements contained in this Contract
 6. Confirm an understanding of the goals, objectives and requirements contained in this Contract
 7. Prepare and conduct requirements confirmation sessions with all necessary State personnel, other parties designated by the State, such as other State contractors.
 8. Prepare and submit to the State for approval the project management plans for meeting the goals and objectives of the PBMS.
 9. Manage all activities defined in the approved project management plans
 10. Submit for review and approval all changes to the approved project management plans
 11. Participate with other designated contractors (such as the existing PBM contractor), the MMIS contractor, State personnel and other parties as designated by the State in creating the PBM integrated project management plan
 12. Review and confirm roles and responsibilities that the Contractor has which are part of any other business processes that are the responsibility of other Contractors or the State
 13. Define quality measures to monitor the Contractually required service levels
 14. Manage all business processes using a continual improvement approach and submit improvements to the State for review and approval
 15. Comply with all laws, policies, procedures, and standards dictated by the State in meeting the goals and objectives of the PBMS
 16. Provide an estimate of the number and type of State resources required, recognizing that the Contractor shall remain responsible for the successful implementation of the project
- ii. The State project team shall:
1. Define the goals and objectives of the PBM programs and services throughout implementation and ongoing operations
 2. Communicate the goals, objectives, and ongoing status of the project and program to all stakeholders
 3. Work with stakeholders to identify and monitor project and program risk and appropriate mitigation strategies.
 4. Oversee the project management approach that shall govern the project
 5. Review the draft deliverables and final deliverables developed by the Contractor and provide feedback and required changes for the Contractor to make until the State is satisfied with the resulting deliverable
 6. Review and approve or reject final deliverables developed and revised by the Contractor
 7. Provide access to State management and Subject Matter Experts (SME's) for the approval of the deliverables required to meet the goals and objectives of the project
 8. Provide for the access and archiving of project artifacts in a secured repository.
 9. Manage the procurement of additionally required resources necessary for program success, including (but not limited to) obtaining CMS pre-approval.
 10. Monitor Contractor performance for purposes of determining Contract compliance, provide improvement requests, and approve or reject invoices as detailed in Attachment B of this Contract

Detailed Scope of Work for Implementation

3. Ongoing Task and Deliverables - Project Monitoring and Status Reporting

Project status shall be tracked and reported on an ongoing basis. Regularly scheduled status meetings between State Project Management Team and the Contractor Account Manager shall be held to discuss project progress, issues, resolutions and next steps. The following standard reporting mechanisms shall be used:

- Status reports
- Issues lists
- Risk management updates

In addition, a Project Information Library (PIL) must be developed and maintained, by the Contractor and overseen by the Contractor Account Manager in a single repository used to store, organize, track, control and disseminate all information and items produced by, and delivered to, the project. The PIL must include a file structure with defined access and permissions. It must also include an interface, such as a Web page or portal, where individuals can obtain project information, the latest documentation, and input issues or comments to the Project Team. The State acknowledges and agrees it will work collaboratively with Contractor, where reasonably practicable, to consider the best approach to perform this function.

The State shall be the owner of all the documents available in the PIL.

At a minimum, the following deliverables must be completed by the Contractor. The Contractor may propose additional deliverables as needed to achieve project goals.

Project Status Reports (Recurring Deliverable)

This deliverable must be a recurring deliverable for the entire length of the project. The deliverable must at a minimum include periodic reporting of the following activities:

1. Graphical status of scope, schedule, and budget (red, yellow, or green).
2. Status of work completed against the Project Work Plan
3. Objectives for the next reporting period
4. Contractor and State responsibilities for the next reporting period
5. Recovery plan for all work activities not tracking to the approved schedule
6. Projected completion dates compared to approved baseline key dates
7. Escalated risks, issues (including schedule and budget), and Action items
8. Disposition of logged issues and risks
9. Important decisions
10. Actual/projected Project Work Plan dates versus baseline Project Work Plan milestone dates
11. Budgeted to actual budget figures, and estimated cost at completion (or similar forecast of remaining costs).
12. One-page graphical summary of the Project Work Plan status of all major tasks and subtasks for each cycle

4. TASK 1 — Project Initiation and Planning At a minimum, the following subtasks must be completed by the Contractor. The Contractor may propose additional tasks as needed to achieve the task goals.

- I. Deliverable 1 — Project Kickoff Presentation This deliverable is a presentation to familiarize project team members with the project. The presentation includes the following topics:
 - i) Project Overview
 - ii) Project Schedule (high level)
 - iii) Objectives and Definitions

- iv) Process (including change management, change control, and issue/risk management)
- v) Artifacts
- vi) Roles and Responsibilities
- vii) Keys to Success
- viii) Next Steps
- ix) Questions and Answers (Q&A)
- x) Resources

II. Deliverable 2: Project Management Plan

The Contractor shall provide a set of documents that, when taken together, constitute the Project Management Plan that describes how project objectives shall be met and provides a road map for implementing and managing the PBM solution. The approach shall be consistent with the Project Management Institute Project Management Methodologies stated in the Project Management Body of Knowledge or equivalent.

The Project Management Plan shall address the initiating, planning, controlling, executing, and closing processes. The Project Management Plan should at a minimum consist of the following sub-plans:

- i) Scope Management Plan — this plan documents the project vision and goals, items that are in-scope and out-of-scope and their prioritization, dependencies between the scope items, and risks associated with the inclusion and removal of items from scope. The plan also defines the process used to modify project scope.
- ii) Cost Management Plan — The Contractor is responsible for developing a plan that indicates how project costs/budget shall be incurred, controlled, and reported. The plan must include the finalized cost and budget for the project. Cost-related progress report formatting shall be developed and included by the Contractor, consistent with AHS requirements and format, with inputs from State team members, and must include a tracking of costs to the project budget baseline.
- iii) Risk Management Plan — Development of a Risk Management Plan is required. The Contractor, with the support of State team members, must submit a baseline Risk Assessment to the State's Project Manager within one month of the project initiation.
- iv) Quality Management Plan — The Contractor's plan must have the following elements:
 - (1) Defined quality assurance responsibilities
 - (2) Detailed definition of all deliverables by phase and associated acceptance criteria
 - (3) Defined deliverable review process
 - (4) Disciplined deliverable review process
 - (5) Regularly scheduled reviews of key project phases and milestones
 - (6) Identified target performance areas and proposed methods of measurement; establish the baseline metrics for the agreed upon goal areas; and assist the State in determining the level of achievement of the performance goals.
 - (7) The Schedule Management Plan – The plan developed by the Contractor must include the following:
 - (a) How the project schedule shall be monitored for variances
 - (b) What types of corrective actions shall be taken to address schedule variances during the life of the project

- (c) The process, roles, and responsibilities involved in making changes to the project schedule.
- v) Communication Management Plan — The plan must detail the varying levels and needs of the project's stakeholders for information regarding the project, status, accomplishments, impact on stakeholders, etc. As part of Communication Management, issues must be logged and reported bi-weekly and the plan must detail the escalation mechanisms for issue resolution.
- vi) Closure Approach — upon the completion of the Base and Extension Operations Periods, the Contractor shall perform all activities necessary to close out the Project. This includes:
 - (1) Performing formal contract closure
 - (2) Updating process documentation and transferring this to the State
 - (3) Transitioning any relevant process and/or solution responsibilities over to the State Project team, or to another contracted Contractor
 - (4) This includes updating and transferring all solution documentation, performing formal contract closure, and transitioning any relevant solution responsibilities over to the State Project team.
- vii) Change Management Plan — The Contractor must adhere to the Change Management Plan, which shall be jointly developed by the Contractor and the State. The plan describes how the Change Control Board (CCB) shall manage the process for review, acceptance and rejection of change requests. For any decisions that cannot be made by the CCB or project management team, the decision shall be escalated.
 - (1) In the Change Management Plan, change requests shall be:
 - (a) Drafted by the Contractor
 - (b) Reviewed and edited by the State Project Manager
 - (c) Approved or rejected by the CCB with direction from State management, as necessary
 - (d) Implemented by the Contractor, as necessary
 - (e) The Contractor must perform updates to the project schedule and cost estimates when change requests are approved.

III. Deliverable 3: Project Work Plan and Schedule

The Contractor shall deliver a Baseline Project Work Plan and Schedule, including a Work Breakdown Structure (WBS), Gantt chart(s), and a Project calendar in Microsoft Project. The Contractor shall document any work plan or schedule changes from the plan submitted with the Contractor's original proposal.

The Contractor shall provide a Project Work Plan and Schedule to include identification of all phases of the Project, the sequences of the phases, the duration of the phases, and the duration of the Project. The Project Schedule shall identify the resources to be provided by both the Contractor and the State, together with the scheduled dates those resources shall be required. It shall take into account State holidays, holidays that shall be observed by the Contractor staff, periods during which the State has advised that data processing systems shall be unavailable to the Contractor, and the resources that the State has committed to providing in the Contract. The Project Work Plan and Schedule, once accepted by the State, shall form the Baseline Work Plan and Schedule for the overall PBM Project.

As part of the Project Work Plan and Schedule, the Contractor shall prepare and submit a WBS that encompasses all activities from Project Initiation and Planning to Project Closeout. The WBS shall define the Project's overall objectives by identifying all Project tasks and deliverables.

The Contractor shall maintain and update applicable portions of the Project Schedule no less than bi-weekly to reflect the current status of the Project with a comparison made to the Initial and Baseline Project Schedules. The Project Schedule shall be consistent with available State and contracted Project resources. The State resources shall be identified by the State and communicated to the Contractor prior to Schedule development. The State shall have direct electronic access to the Project Schedule as well as all deliverables and working papers for immediate review and coordination of schedules and plans.

IV. Deliverable 4: Weekly Status Report

The Contractor shall be required to provide a Weekly Status Report, which shall address overall Project status against the current and Baseline (if different) Project Schedule. It shall cover progress against plans for the previous review period and identify work planned for the next work period, or longer if circumstances dictate. These weekly report will be compiled into a Monthly Status Report which shall address issues and concerns, action items and other pertinent information needed by the Contractor or requested by the State as necessary and applicable to that Phase of the Project. The presentation of the Status Reports shall be both written and oral. Status report meetings shall include both State and Contractor Project management staff.

The Contractor shall provide Weekly Status Reports to include a minimum of the following elements:

- i) Milestones reached
- ii) Major tasks accomplished
- iii) Schedule Performance Index (SPI)
- iv) State Approved Scope Changes
- v) Risks/problems identified and a detailed report of the planned or completed mitigation thereof
- vi) Milestones not met on schedule
- vii) Milestones or critical path items expected to occur during the next month
- viii) Graphical dashboard of triple constraint (red, yellow, green).
- ix) Budgeted to actual budget figures, and estimated cost at completion (or similar forecast of remaining costs).
- x) One-page table summary of all major milestones completed to date, and those in progress.

5. TASK 2 — Requirements Validation

In this task, the Contractor must lead and facilitate the process for reviewing and validating the detailed Functional and Non-Functional Requirements documentation. Throughout this task the Contractor must validate and use the high-level baseline requirements developed during the planning phase and outlined in the following documents:

- Appendix I - Functional Requirements
- Appendix I - Functional Requirements Approach
- Appendix I - Non-Functional Requirements

The Contractor is required to conduct a crosswalk of the high-level baseline requirements against the legacy system functionality to validate and identify any possible gaps in the requirements. The Contractor must also develop their approach for augmenting the existing requirements and crafting design level use cases and workflows to meet all Functional Requirements.

I. Deliverable 5: Requirements Methodology and Template

The Contractor must provide a clear and concise layout of how detailed requirements shall be gathered. The requirements template must be robust enough to store and track

functional, technical and other operational and performance requirements.

II. Deliverable 6: Crosswalk of RFP Functional Requirements Against Legacy System Functionality

The Contractor must conduct a crosswalk of the RFP Functional Requirements for the solution against the functionality that currently resides in the legacy system to validate and identify and possible gaps in the requirements. The Contractor must document the findings from the crosswalk.

III. Deliverable 7: Detailed Functional and Non Functional Requirements Traceability Matrices

The Contractor is required to generate more detailed Functional and Non-Functional Requirements traceability matrices by conducting joint meetings with the State Project team and Subject Matter Experts (SME). This deliverable must provide a gap analysis of the requirements to define the services and provide recommendations to close the gaps.

Any recommendations to close specific gaps that require changes to the requirements matrices shall be reviewed by the State and if approved by the State, shall be updated. The State Pharmacy Benefits Management Business Unit Director, Business Lead, IT Lead, supported by the appropriate State Project Team, IT Project Team Members and SMEs shall be responsible for reviewing proposed requirements changes. Approval for changes to the baseline requirements shall only be provided if there is a clear business case for changes, and all possible implications of the change in regards to functionality and technology have been fully understood.

More details for requirements are provided in Template F — Functional Requirements, Template G — Functional Requirements Approach, Template H — Non-Functional Requirements and Template I Non Functional Requirements Approach.

6. TASK 3 — System Design

The System Design task includes system design, interface design, and information exchange design activities. Detailed and logical system design documents produced by the Contractor shall direct the System configuration/development efforts. The design shall be driven by the outputs of the requirements validation phase. These documents provide the framework essential to ensure that the system is constructed consistently and include all the functionality required by the Contract.

The Contractor shall define a software design approach and methodology. The methodology shall reflect and incorporate applicable government and industry best practices such as Capability Maturity Model Integration (CMMI) guidelines.

I. Deliverable 8: Configuration Design Document

The Contractor shall deliver a Configuration Design Document, or its equivalent, describing how the proposed System shall enable the Functional and Non-Functional requirements. The Configuration Design Document artifact must include the following components:

- i) Details on which components shall be leveraged from existing systems and which components shall be newly developed
- ii) Business rules
- iii) Reporting capabilities and prebuilt reports
- iv) User profiles and security role permissions
- v) System functionality traceable back to the Functional Requirements traceability matrix
- vi) System overview diagrams
- vii) Domain model
- viii) Process flows

The Contractor may propose alternatives to any of these components, but they must be clearly justified and have the prior approval of the PBMS Project team.

All components of the design must be maintained throughout the course of the project and updated when any System design changes occur. The Contractor must conduct a walkthrough of the Configuration Design Document with the PBMS Project team and the QA Provider to validate the contents of the Configuration Design Document, the incorporation of all information from the design sessions, and the incorporation of all Functional Requirements. Approval of the Configuration Design is required before configuration and development can begin.

II. Deliverable 9: Data Integration and Interface Design Document

The Contractor must deliver to the State a Data Integration and Interface Design Document, or its equivalent, reflecting the required interface for operation. This document must be developed based on outputs from the design sessions conducted with the Contractor, QA Provider and Pharmacy Benefits Management Solution Project personnel. The Data Integration and Interface Design Document must include the following components:

- Entity Relationship Diagrams
- Data Flow Diagrams
- Data Dictionary
- Processing controls
- Processes to manage System installation and configuration
- Data backup procedures

The Data Integration and Interface Design Document must include, at a minimum, the interface definitions and design (including XML/SOAP specifications for file formats). The Contractor must conduct a walkthrough of the final Data Integration and Interface Design Document with the PBMS Project team and the QA Provider to validate the contents of the Data Integration and Interface Design Document, the incorporation of all information from the design sessions, and the incorporation of all Non-Functional Requirements. Approval of the Data Integration and Interface Design Document is required before development can begin.

III. Deliverable 10: Demonstration of successful data conversion, transformation and loading from all associated incumbent systems

7. **TASK 4 — Configuration and Development**

Configuration and Development efforts shall be guided by the outputs of the Requirements and Design tasks. This ensures that the solution is constructed consistently. During this phase, Contractor shall configure the system to satisfy both Functional and Non-Functional Requirements. As part of this task, the Contractor shall provide documentation that shall demonstrate the system configuration.

I. Deliverable 11: Client Review of Configuration

The Contractor must deliver a walkthrough of the solution for the Pharmacy Benefits Management Solution Project team and the QA Provider. The walkthrough shall demonstrate how the requirements are satisfied by the Solution.

II. Deliverable 12: Unit Testing Scripts and Results

Unit testing is used to validate that an individual program module or script functions correctly. Each System module that has been configured or developed shall be tested to ensure that all module functionality is working properly. If a module interacts with other modules, the interfaces between the modules are ‘stubbed’ out or removed so that only the

module itself is tested in isolation.

The Contractor must deliver the unit test scripts, results, and reports that verify that all requirements have been tested successfully.

8. TASK 5 — Testing

The new System must undergo a series of System, User Acceptance Tests (UAT), Final Acceptance Test (FAT), and Pilot Tests prior to deployment. This includes emphasis on testing new functionality, as well as regression testing of already accepted functionality to ensure that changes to software have not adversely affected existing code. Each phase of testing requires the execution of the previously developed Test Plan, including test cases, scripts, data sheets, and expected results. The tests that are developed must be repeatable and must be directly traceable to the requirements.

System testing, UAT, and FAT must be driven by Requirements and Design, and must adhere to detailed test plans and test scripts. PBMS Project team, Contractor, and QA Provider all have significant roles in the testing process. The Contractor must thoroughly test the software itself before the State UAT and FAT teams begin their work. This includes System/integration testing, volume and stress testing, performance testing, and load balancing testing prior to User Acceptance Testing and FAT. When the Contractor test results are validated by the PBMS Project team and the QA Provider, UAT can commence. Upon the completion of the UAT and FAT, overall readiness shall be assessed and a decision made (GO/NO GO) regarding deployment. A specific Pilot Testing plan will be determined during the Implementation Phase discussions

I. Deliverable 13: Documented System Test Results

The Contractor shall be responsible for generating the test data and test cases to be used for its own System test. The Contractor must develop the new System using a structured System life cycle development methodology that includes the following types of test activities:

- Module Test — validate that an individual program module or script functions correctly
- Integration Test — ensure that small groupings of modules are working properly
- Regression Test — re-running of previously completed test cases after new functionality or bug fixes have been added to the System

II. Deliverable 14: User Acceptance

Once the PBMS Project has received the verification of a successful Systems Test from the Contractor and a successful walkthrough of System functionality has been completed, UAT shall begin.

The Contractor shall be responsible for providing on-site support to the PBMS Project during the planning and execution of UAT. Contractor support must involve assistance with following activities:

- Plan and set up Test environment
- Develop Test Cases
- Provide an efficient approach to testing that maximizes parallel and overlapping test activities
- Explain how development has interpreted requirements
- Communicate information about problems encountered during earlier test phases
- Respond to and fix reported defects
- Determine workarounds to be used during test scenario execution
- Provide information concerning the content of code builds during test execution

- Track details and provide summary reporting on testing plans, progress, issues, and interim results during test execution

The Contractor must prepare a UAT report documenting all the test results including any errors and resolutions identified as a part of the UAT test. The UAT report must summarize the UAT results and whether the UAT objectives were met. At a minimum, it must cover:

- Achievement of UAT objectives
- Test execution results by test cycle
- Test execution statistics and trends
- A plan to address any UAT test issues still unresolved

Pilot testing will include:

- Simulated real time processing using real-time claims captured from the pharmacy telecommunication switching companies
- End-to-end pilot test scenarios that are comprehensive, true-to-production, using a segregated claims processing platform including but not limited to the ePA module and Claims processing.

9. TASK 6 — Training

The user training, in addition to focusing on the navigation and functional use, shall also focus on how the System is integrated into the day-to-day work of end users, including new business processes and/or workflows related to the State's new PBM Solution. To the fullest extent possible, the training classes shall consist of trainees with similar job duties and materials and approach should reflect a user-specific focus, including the use of user-specific case scenarios. The Contractor shall organize training in an interesting, non-technical manner to keep the trainees' attention. Innovative training aides, case studies, scenarios, humor, and other learning tools that shall engage the users and support information retention are encouraged.

If implementation of PBM solution is delayed after initial training has been completed, Contractor shall provide refresher training. This training should provide the foundation for ongoing operations training and knowledge transfers (see section VIII Operations Phase below section f Knowledge Transfer and Training) as well as be the base training for all new personnel.

I. Deliverable 15: Training Plan

The purpose of the Training Plan is to identify the activities and define the curricula that State needs to support their PBM Solution and specific transactional training requirements. The Contractor shall include in the Training Plan delivery of user training as well as training State staff so that State may assume ongoing training responsibilities where applicable. In general the Contractor shall be responsible for ongoing training throughout the Operations Phase. The Contractor shall provide a Training Plan that meets the requirements described above and, at a minimum, the following components:

- Overview stating the purpose and scope of the Training Plan that meets the requirements of this contract.
- Training Curricula:
 - Detailed description of the training model for adult learners.
 - Flow diagrams and detail for the training curriculum for each functional area and integration into the end-to-end business process.
- Specific training curricula targeted and delivered to the different users in a manner that meets their specific needs.
- Training Materials Development Plans:

- Role of the ‘Training Team.’
- Documentation style standards for the development of training material (e.g., document format, references, acronyms, font).
- Plan for review of training material.
- Approach to prototyping and testing training materials with training customers.
- Approach to modifying or adjusting training materials based on the results of the Evaluation of Training Effectiveness.
- Training Methodology and Delivery Plans:
 - Identification of the training mix including, but not limited to, Web-based learning in-person learning, learning-labs, and informal learning. Because of the constraints related to scheduling staff out of the office for multiple training sessions, Contractor shall develop a training mix that leverages use of online training tools and self-guided learning material that is supported by in-person training.
 - Identification of plan to motivate and engage users to learn about and use the system and complete the training.
 - The logistical plan for preparing and delivering the training solution including, but not limited to.
- Training Schedule: Schedule and timeline of training development, delivery, and evaluation. Schedule shall align with phased integration of data systems and the associated number of end users.
- Plan for Evaluation of Training Effectiveness.

II. Deliverable 16: Training Material

The Contractor shall develop training materials in such a way as to allow for training to continue beyond initial deployment. All training material becomes the property of the State. This construction includes the ability to modularize the material and embed it into existing State training programs. All training material shall have a consistent look and feel and shall be provided in a soft copy format so that the State may easily make modifications to the materials. All training materials shall be maintained to reflect the latest version of PBM Solution and the changes resulting from evaluations and use during acceptance. All training material shall be maintained online. The Contractor shall be responsible for developing and providing training materials and for training State staff. The Contractor shall employ professional training staff (not technical staff) to conduct training sessions and to prepare training and user materials. The State shall have approval over Contractor-provided staffing used for training and over the format/content of the training to be given. State and Contractor staff shall work together to develop the format/content for the training and user materials that the Contractor shall produce. These materials shall be provided to the State in both hard and soft copy. The State must accept these materials before they are distributed to State staff for use.

- Training Manuals, Guides, and Materials shall include, but is not limited to:
- Instructor/Trainer Guides shall provide the ability for State staff to perform the training on a continuing basis.
- Trainee Packages shall provide the trainees exercises and usable examples with which to practice the lessons provided during formal training.
- The User’s Manual shall be as non-technical as possible and emphasize person-centered service delivery, program collaboration, and related business functions in the explanation of PBM features, functions, modules and tools and the detailed

procedures to deliver services. State shall provide input regarding person-centered service delivery, any relevant State policies, and information regarding State business processes. The System User Manuals shall be designed for ease of use so that any user, regardless of his or her function, can readily locate, identify, understand and use the information. The manuals shall include copies of relevant screens with instruction on the use and function of each, including the definition of all data elements. System User's Manuals shall include a catalog of all reports, forms, letters, and other system-generated documents (generated either automatically by the System or by the user). This catalog shall include, at a minimum a copy of each report, form, letter, or document together with a description of its contents and step-by-step instruction on how to produce it.

- Desk Aids shall provide, at a minimum, quick access to solutions and information which users most frequently need.
- User tips which shall be designed as short messages that can be sent to recent trainees with reminders about short-cuts, features, and other relevant information to promote end-user adoption and use of the new PBM Solution.

III. Deliverable 17: Documented Evidence of Successful End-User Training
The Contractor shall provide Documented Evidence of Successful End-User Training. Evidence shall include at a minimum:

- Tracking of employee attendance and completion of training courses and modules
- An Evaluation of Training Effectiveness
- Actions addressing any deficiencies in the proficiency of the current cohort of trainees based on the results of the evaluation of training effectiveness
- An action plan to adjust or modify future training based on the evaluation outcomes

10. TASK 7 — Deployment

The Contractor shall produce a detailed and thorough plan for deployment of the planned functionality for each phase.

I. Deliverable 18: Deployment Plan

The Contractor shall provide a detailed Deployment Plan that documents all the activities that need to be accomplished to successfully migrate the new System from the testing associated environments to the production environment. The Plan shall provide a detailed schedule of activities with key “go-no go” decision points identified throughout the deployment process. In addition, the plan shall detail a back-out and recovery process to be triggered in the event the turnover to production fails.

II. Deliverable 19: CMS Certification Plan, the Contractor shall deliver an acceptable plan that includes but is not limited to:

- Develop a CMS Certification Checklist
- Assist the State in preparing certification documents and reports
- Review and report on the progress and compliance towards CMS Certification

III. Deliverable 20: System Documentation

The Contractor shall conduct a review with the State and identify any documentation that must be updated as a result of changes. The Contractor shall update the documentation and provide it to the State for review and Final Acceptance. The Contractor shall also transfer all finalized required documentation to the State.

IV. Deliverable 21: Performance SLAs

The Contractor shall provide ongoing compliance monitoring and reporting for the Service Level Agreements (SLAs) from pre “go-live” state through ongoing operations. Demonstrations of acceptable SLAs are to be included as a ready for “go-live” determination. These SLA’s shall be updated and maintained in detail throughout the duration of this Contract See Appendix I for detailed requirements.

V. Deliverable 22: Final Data Conversion

VI. Deliverable 23: Rollout

The Contractor shall provide notice to the State notice of System Rollout readiness once the following has been completed:

- All Deliverables required by the DDI Project Plan have been completed as relevant prior to Rollout of the PBM Solution,
 - All Deliverables required by the DDI Project Plan have been delivered to the State;
 - Contractor determines that the PBM Solution is installed and ready to be operational; and
 - All necessary training is complete for this phase.
- This rollout recommendation as well as go or no go determination accepted by the State, shall thereafter occur on a mutually agreed upon date and when State in its reasonable discretion, deems appropriate. The State shall provide Contractor with advance written notice of the date of Rollout. Contractor shall perform all tasks allocated to Contractor in the Deployment Plan, including but limited to all appropriate stakeholder notifications and shall otherwise provide sufficient assistance to the State in connection with the Rollout to assure a smooth and seamless Rollout.

11. TASK 8 — Transition to operations and production

I. Deliverable 24: Post go live support plan

The post go live support plan will detail the level of support resources that will be available including but not limited to call center, clinical staff for PA and exception processing, systems technical staff, for the following time periods: the first 24 hours of system operations, the next 48 hours, first week, subsequent two weeks, first month. The plan will be co-developed between the State and GHS .

II. Deliverable 25: Systems Acceptance (punch list completion)

The systems acceptance document will be a formal acceptance document signed by the State and GHS indicating acceptance of the system as production and agreeing to the transition to the Operational Phase. The document will be accompanied by the punch list that is a record of the defects and issues discovered from the point of “go-live” (turning on the system to processing of live data) to a point in time that is mutually agreeable to both parties but no less than two weeks post go live.

III. Deliverable 26: CMS Certification – (letter from CMS)

Upon full implementation of the State’s new MMIS, the Contractor must ensure that the PBM Solution obtains CMS Certification to receive the maximum allowable Federal Financial Participation. At the time of full MMIS Certification the Contractor shall work closely with the State and CMS executing the Certification Plan and completing the checklist to identify, remediate where necessary, and thereby meet all certification

criteria. Completion of this task shall be indicated upon State receipt of the CMS certification letter from CMS.

IV. Deliverable 27: Operations and Maintenance Policy and Procedure Manuals

Required Project Policies, Guidelines and Methodologies

The Contractor shall comply with all applicable laws, regulations, policies, standards and guidelines affecting information technology projects, which may be created or changed periodically. It is the responsibility of the Contractor to remain abreast of new or revised Laws, regulations, policies, standards and guidelines affecting project execution. Agency specific confidentiality and privacy policies, such as Health Insurance Portability and Accountability Act (HIPAA) may apply. These may include, but are not limited to:

- The State's Information Technology Policies & Procedures at http://dii.vermont.gov/Policy_Central
- The State's Record Management Best Practice at: <http://vermont-archives.org/records/standards/pdf/RecordsManagementBestPractice.pdf>
- The State Information Security Best Practice Guideline at: http://vermont-archives.org/records/standards/pdf/InformationSecurityBestPractice_Eff.20090501.pdf
- The State Digital Imaging Guidelines at <http://vermont-archives.org/records/standards/pdf/ImagingGuideline2008.pdf>
- The State File Formats Best Practice at http://vermont-archives.org/records/standards/pdf/FileFormatsBestPractice_Eff.20071201.pdf
- The State File Formats Guideline at <http://vermont-archives.org/records/standards/pdf/FileFormatsGuideline2008.pdf>
- The State Metadata Guideline at <http://vermont-archives.org/records/standards/pdf/MetadataGuideline2008.pdf>

V. Deliverable 28: Disaster Recovery and Business Continuity Plans, Testing schedule Application Security Standards

The Contractor shall review the application and certify it meets the following:

- Identify the key risks to the important assets and functions provided by the application and conduct an analysis of the Top 25 software errors (<http://cwe.mitre.org/top25>), or most common programming errors, and document in writing that they have been mitigated.
- Ensure all application code and any new development meets or exceeds the OWASP Application Development Security Standards outlined on the [www.OWASP.org](http://www.owasp.org) site (currently https://www.owasp.org/images/4/4e/OWASP_ASVS_2009_Web_App_Std_Release.pdf) and document in writing that they have been met.
 1. Contractors shall be expected to make the following warranties:
 2. The Contractor has all requisite power and authority to execute, deliver and perform its obligations under the Contract and the execution, delivery and performance of the Contract by the Contractor has been duly authorized by the Contractor.
 3. There is no outstanding litigation, arbitrated matter or other dispute to which the Contractor is a party which, if decided unfavorably to the Contractor, would reasonably be expected to have a material adverse effect on the Contractor's ability to fulfill its obligations under the

Contract.

4. All deliverables shall be free from material errors and shall perform in accordance with the specifications there for.
5. Each and all of the services shall be performed in a timely, diligent, professional and work person-like manner, in accordance with the highest professional or technical standards applicable to such services, by qualified people with the technical skills, training and experience to perform such services in the planned environment. At its own expense and without limiting any other rights or remedies of the State hereunder, the Contractor shall re-perform any services that the State has determined to be unsatisfactory in its reasonable discretion, or the Contractor shall refund that portion of the fees attributable to each such deficiency.
6. The Contractor has adequate resources to fulfill its obligations under the Contract.
7. Virus Protection. Contractor warrants and represents that any time software is delivered to the State, whether delivered via electronic media or the Internet, no portion of such software or the media upon which it is stored or delivered shall have any type of software routine or other element which is designed to facilitate unauthorized access to or intrusion upon; or unrequested disabling or erasure of; or unauthorized interference with the operation of any hardware, software, data or peripheral equipment of or utilized by the State.

V. Operational Phase

As noted above the Contractor shall employ in concert with State stakeholders appropriate systems management, change management, communications management, and other control practices as well as project management practices that leverage what was learned from the DDI Phase applied to the Operations Phase needs. The Contractor throughout the operations phase shall meet all requirements and SLAs including but not limited to:

A. Operational Requirements

1. Operations Management and Support Services as described in the functional requirements including but not limited to:
 - i. Claims processing
 - ii. Utilization Management
 - iii. Prior Authorization Program
 - iv. Provider Call Center
 - v. Rebate Management
 - vi. Specialty Pharmacy Services
2. Contractor shall provide a detailed approach to Operational Management in line with the State's strategy. Contractor shall develop an Operations Management Plan specifically for the State's PBM project, including all provided detailed Operational information on automated and manual tools as well as details on processes that shall be performed by the Contractor to ensure effective system control, reliability, documentation, and recovery.
3. Contractor shall have highly effective approach to ongoing operations. The primary goals shall be to meet or exceed the State's requirements with regard to operations activities and performance. Contractor shall deliver a high-quality operational environment using but not

limited to the following methods and techniques:

- a. Operating facilities and housing daily operational staff as defined in the Staffing Plan within the Vermont, within 10 miles to DHVA offices;
 - b. Maintaining internal and client-specific product enhancement plans for all provided solutions;
 - c. Refining and executing plans to achieve higher levels of MITA Maturity;
 - d. Monitoring, State, Federal, and related industry standards and planning for any forthcoming updates to policy or standards effecting pharmacy benefit management;
 - e. Maintaining and following a detailed Operations Change Management Plan and related policy, workflow, and procedures;
 - f. Hiring and training knowledgeable staff; and
 - g. Monitoring Service Level Agreements and Key Performance Indicators (SLA/KPI), reacting in a timely manner in the event that indicators are near to or below minimal standards or requirements.
4. Contractor functional teams shall have experience supporting ongoing operations, including all deliverables and activities specified in this contract. Clear specifications for operations services and related requirements shall be documented in an Operations Management Plan, reflecting the requirements presented in this contract and the procedures and best practices Contractor follows internally. This shall reflect all requirements specified in Appendix I as they apply to ongoing operations and any clarifications or updates captured during development, operations readiness, or during/after implementation and the start of ongoing operations.

B. Communications Management

1. Contractor, working with the State, shall deliver a communications plan that includes the Contractor's communications strategy to ensure that Contractor and state lines of authority and communications interfaces (including formal meetings, reports, impromptu meetings, provider notices and messaging) follow a "chain of command" structure that ensures the effectiveness of communications. Contractor shall provide the meeting space, communication support (phone/video conference) and other functions required to facilitate successful ongoing meetings and communications.
2. Contractor shall facilitate regularly-scheduled status meetings with the state to discuss the PBM implementation project and ongoing operations as well as but not limited to related topics through all project phases. It is understood that this is the most appropriate time to review project activities and (post implementation) ongoing operations, discuss issues, risks, accomplishments, and other planning issues as a group. During the Design, Development, and Implementation (DDI) phases of the project, the regularly scheduled meetings shall also be used to conduct walk-throughs and formal approvals of project deliverables, as deemed appropriate by the State. Prior to the weekly meetings, Contractor shall issue a weekly status report that contains a summary report of project accomplishments, issues, risks, next steps and any other information the State may need.
3. Contractor shall also meet requirement details regarding Communications Management requirements as addressed in Section II Provider Support Services, c. Provider Communications of this attachment.
 - a. Quality Management
 - i. Contractor shall develop and deliver a comprehensive Quality Management Plan that describes the approach that is to be a cornerstone of the Vermont PBM project. QM shall begin with the planning development, and implementation phase for each project that occurs throughout the life of this contract. It shall also address the Operations Phase. Contractor shall follow a set of defined and repeatable processes that enable the

State to monitor the project management and business projects in a manner that promotes continuous quality improvement.

- ii. Contractor shall Develop a Quality Assurance Control/Quality Management Plan (by business activity and/or functional area) to address the needs and specific opportunities for quality improvement throughout the Contract period. The Quality Assurance Control/ Quality Management Plan shall be developed and maintained to reflect the Contractor's experience and commitment to:
 - 1. Methodology for maintaining quality of the code, workmanship, project schedules, Deliverables, and any subcontractor activities.
 - 2. Quality in systems design, testing, and implementation.
 - 3. Process design and staff training.
 - 4. Performance standards development and measurement.
 - 5. Customer satisfaction measurement and analysis.
- iii. The plan shall be delivered to the Department for review and approval during the Initiation and Planning Phase, and may be revised through the duration of the project as needed to address change.
- b. Contractor shall also meet requirement details regarding Quality Management requirements as addressed in detail in Appendix I- Quality Control and Management Specifications, System Management
 - i. Contractor Network Services team shall alerted by SMS, phone, and/or email when specific system events occur within the data center infrastructure. The State shall receive notifications on system infrastructure failures and when certain system or infrastructure thresholds are reached or exceeded (ex., CPU, disk, network utilization), which shall be based upon mutually agreed upon thresholds. These alerts shall be configured to generate alerts and other types for warnings when monitoring systems indicate an impact or potential limits on system performance and availability. When an alert is received, the issue shall be reviewed and specific procedures followed for the type of alert as defined by the Contractor and the State.
 - ii. Contractor shall have systems in place in the data center that all SLA monitoring a reporting capabilities, which shall be used to support the PBMS implementation.
 - iii. Contractor shall also meet requirement details regarding Systems Administration and Management requirements as addressed in detail in Appendix I- System Operations Specifications.
- c. Service Level Requirements and Performance
 - i. The Contractor's Vermont PBMS solution, including all supporting components, shall be available to authorized users 24 hours a day, during every day of the year, including all holidays with over 99.95% uptime, with the exception of approved maintenance windows.
 - ii. Contractor shall also meet requirement details regarding Service Level requirements as addressed in detail in Appendix I- Service Level Specifications.

C. Change Management

- 1. Contractor shall provide and maintain a documented change management process to be used in support of all system, service, change requests which encompasses application support task orders. This process shall be aligned with PMI® standards for all project initiatives and facilitate the tracking of source code, documentation, problem logs, change requests, approvals, decisions, and implemented changes for both operational and in-development modifications.

2. Contractors shall continue to use the change management processes after initial contract award to ensure clear documentation of additions or changes to the baseline contract requirements and to better define change process differences based upon the size of the change and the impact to the project. Contractor shall deliver a comprehensive Change Management Plan to the State that outlines how changes shall be documented, controlled and implemented, including any process changes the State specifically requires.
3. Project change requests shall be unique from requests made to support operations, such as ad hoc reports or analysis requests or ongoing maintenance (such as of the PDL or formulary). These change management processes for projects from implementation to enhancement projects are intended to address more substantial changes that warrant more rigorous management practices. In general, these changes shall result in enhancements or adjustments to the baseline scope of work performed by Contractor for the State.
 - a. Such changes encompass but are not limited to:
 - New state or federal policy;
 - Changes to existing state or federal policy;
 - Change in industry standards followed by the Contractor or the state;
 - Changes to data sets or systems maintained by our business partners;
 - The desire for new or enhanced services or functionality; or
 - A change in circumstance requiring change to approved or planned activities or projects.
4. Any State stakeholder may request a change; however, it must be reviewed and formally approved by the appropriate State representative before submission to Contractor and (if deemed appropriate) a formal Change Control Board for review. Prior to submission to Contractor, all change requests must be documented in the manner specified in the Change Management Plan and submitted to the Contractor's Account Manager.
5. After a formal request is received by Contractor, the request shall be logged, assigned a tracking ID number, and stored (with all other supporting documentation) electronically within Contractor's and State's document management system and a location allocated specifically for the request. If there are any clarifying questions or information Contractor needs, they shall be provided to the State Contract Manager and/or requester.
 - a. Contractor shall also meet requirement details regarding Change Management and Change Control requirements as addressed in detail in Appendix I - Change Specifications, Security audits and testing
 - i. Contractor systems infrastructure and security procedures shall ensure that all data and systems access are secured and maintained meeting all State-specific security and privacy requirements, as defined by NIST and FISMA, specifically outlined in this requirement, as well as those in Appendix I. The State acknowledges and agrees that it shall work cooperatively with Contractor, where reasonably practical, to enable Contractor to so meet all such applicable NIST and FISMA requirements.
 - ii. To maintain data integrity, Contractor shall have implemented systems, policy, and procedures to support:
 - I. Monitoring – Proactive triggers that alert administrators of real or potential integrity issues. Administrators shall use expert judgment and standard procedure to determine the required action for any monitoring trigger.
 - II. Tracking – Recording transactions and related data elements for scheduled reporting or audits, and analysis to address specific concerns or issues.
 - III. Auditing – Retroactive review of transactions by the Contractor staff / processes or an external entity to confirm compliance over time. The primary purpose of auditing is to ensure systems and data are maintained according policy, procedure,

industry standard, or other criteria. Audits may result in corrective action to be taken by the Contractor.

- b. Contractor shall participate in annual SSAE 16 (formerly SAS 70) audits that include review these controls. They shall also participate in State-specific audits at regular intervals (no more than annually unless due to a security breach) and on an ad-hoc basis, with reasonable advance written notice. Business Continuity plans and testing
 - i. Contractor systems infrastructure and business continuity policy procedure shall ensure up-time is maintained meeting all client-specific performance requirements,
 - ii. Contractor shall also meet requirement details regarding Disaster Recovery and Business Continuity requirements as addressed in detail in Appendix I- Operations, Security, and DR SLAs requirements..

D. Knowledge Transfer & Training

1. The Contractor must develop and execute a Knowledge Transfer and Training Plan for use throughout the Operations Phase, in consultation with and approved by the State. The Knowledge Transfer and Training Plan must include, at a minimum:
 - a. Training goals/standards and the specific plan for training any Vermont technical personnel and end users.
 - b. Size of population and types of roles that need training
 - c. Strategy for providing training early in the project to allow the training goals to be implemented throughout the project life phase.
 - d. Tasks, deliverables and resources necessary to complete the training effort and identify tools and documentation that shall be necessary to support proposed effort.
 - e. Types of training, the specific courses and course materials, the training approach for both technical personnel and end users, and how training effectiveness shall be measured and addressed. Knowledge Transfer & Training
2. The Contractor must develop and execute a Knowledge Transfer and Training Plan, in consultation with and approved by the State. The Knowledge Transfer and Training Plan must include, at a minimum:
 - a. Training goals/standards and the specific plan for training any Vermont technical personnel and end users.
 - b. Size of population and types of roles that need training
 - c. Strategy for providing training early in the project to allow the training goals to be implemented throughout the project life phase.
 - d. Tasks, deliverables and resources necessary to complete the training effort and identify tools and documentation that shall be necessary to support proposed effort.

VIII. Post Operational Phase Contract Closure (Turnover Plan)

The Contractor and the State recognize that the Pharmacy Benefits Management (PBM) services performed under this agreement are vital to the State and must be continued without interruption and that, upon Contract expiration or termination by either party, a successor may be selected to provide these services to the State. The State and the Contractor shall design a Turnover Plan that shall allow the State to transfer data and other pertinent information from the Contractor to the successor. The parties' desire that the data transfer shall allow a newly awarded PBM to operate the State's pharmacy program, at the same level as the Contractor currently operates, and with minimal impact to providers, beneficiaries, and State staff.

Turnover Plan

1. The word “data” as used in this agreement means any and all paper and electronic data, including but not limited to: reference files, data files, claims files, production computer programs, data entry software, manuals, logs, scripts, operational manuals, training manuals, and edit files.
2. Ten months prior to contract expiration, or upon request by the State, whichever comes sooner, the Contractor must provide to the State a Turnover Plan. The Turnover Plan *must* include a detailed strategy which addresses all of the following:
 - a) A timetable for turnover;
 - b) A detailed outline and specifications of all data to be turned over
 - c) The turnover of data to the newly awarded PBM vendor;
 - d) The provision of any updates to the current system’s data before the newly awarded bidder begins operation;
 - e) The identification of Contractor staff responsible for overseeing and executing this turnover plan
 - f) A timetable for preparation of data transfer to the newly awarded bidder;
 - g) A plan for post-turnover support to resolve data conversion and production issues;
 - h) Training of the newly awarded bidder, if necessary and requested by the State, to extract information contained in the Turnover Plan; and
 - i) A timetable for acceptance testing with the newly awarded bidder to begin properly analyzing transactions
3. Upon receipt of the Turnover Plan by the State both parties agree to meet, discuss, and resolve any issues or concerns in order to meet the terms of this section. The parties agree to personally meet and negotiate in good faith regarding the provisions outlined within the Turnover Plan.

Constituent Components of a Turnover Plan for Data Transfer

Data conversion is an extremely dynamic process. A Turnover Plan document cannot be detailed enough to address all the potential variables one must consider when performing a data conversion; therefore the final determination of items addressed by this plan are left to the discretion of the State of Vermont data conversion Project Leader and the integrated project team. A Data Conversion Plan template is available from the State of Vermont Agency for Human services for preparing an adequate data conversion plan.

<http://confluence.ahs.state.vt.us/display/AHSDS/Data+Migration+Plan+Template>

Major data components of the Turnover Plan include, but are not limited to the following:

- V. Pharmacy claims files utilizing the National Council for Prescription Drug Programs (NCPDP) claims format;
- VI. Specialty pharmacy data from (e.g. All open, active, and pending new and refill orders for specialty products for State beneficiaries);
- VII. Data file layouts and data dictionaries for all data files sent or received by the Contractor including but not limited to eligibility, drug, medical, pharmacy, and physician data files
- VIII. All information related to the administration of the State’s Rebate programs including contracts, invoices, collections, disputes, rebate data files and other pertinent information.
- IX. Member-specific prior authorization (PA) case details, and data files with

elements necessary to apply correct PA status and expiration status, including manual PA, automated PA's completed through either the POS system or prescriber's electronic health records if applicable;

- X. All plan design documentation including drug coverage parameters and funding source mapping; and
- XI. All Standard Operational Reports.

Organization and Staffing (Account Team)

The following staffing plan details the Contractor personnel, level, roles and responsibilities, and team reporting relationships and identifies the approach to providing "shoulder-to-shoulder" team reporting relationships for key staff roles. This plan shows Contractor's personnel hours by phase, by personnel level and by role for the entire project. Designated Key Project Personnel will be 100% allocated to the Vermont PBMS project. Call Center Staff including Help Desk technicians and PA pharmacists shall be fully-allocated to the State. Other allocated resources represent aggregate resources, which may be spread across multiple, qualified individuals and commitment will fluctuate based on the current project phase or ongoing operational needs.

- i. The term "Key Project Personnel," for purposes of this procurement, means Contractor personnel deemed by the State as being both instrumental and essential to the Contractor's satisfactory performance of all requirements contained in this Contract. The Key Project Personnel shall be engaged throughout both the implementation and operations periods. Changes to the positions and responsibilities shall only be allowed with prior written permission from the State. Certain Key Project Personnel, as further described in the Staffing Tables, are to be full-time and dedicated solely to the Vermont PBMS account.
- ii. Location of Contracted Functions and Personnel
 - 1. The Contractor's Key Project Personnel must be able to participate in-person during PBM-related meetings as scheduled by the State and must perform all VT-related work at Contractor offices located in the Burlington area. The State shall not provide facilities for Contractor Key Project Personnel. Work must be performed during normal business hours, 8:00 AM until 4:30 PM Eastern Time, Monday through Friday except State of Vermont holidays.
 - 2. The State and the Contractor shall establish appropriate protocols to ensure that physical property/facility security and data confidentiality safeguards are maintained. Access to any non-Vermont facility used to support the Medicaid Enterprise shall be reviewed and granted or denied within five workdays of the request.
- iii. The Contractor must ensure Key Project Personnel have, and maintain, relevant current license(s) and/or certification(s).
- iv. The Contractor shall seek and receive State approval before hiring or replacing any Key Project Personnel and all Vermont-based staff. The Contractor shall remove Key Project Personnel, if requested by the State, as well as develop a plan for the replacement of that Key Project Personnel, all within two (2) weeks of the request for removal.
- v. The Contractor must provide the State with written notification of anticipated vacancies of Key Project Personnel within two business days of receiving the individual's resignation notice, the Contractor's notice to terminate an individual, or the position

otherwise becoming vacant. Replacements for Key Project Personnel shall have qualifications that meet or exceed those specified in this Contract and shall be subject to approval by the State. The Contractor shall provide the State with status update reports every 30 days on the progress of the replacement candidate recruiting process until a qualified candidate is hired. The Contractor shall have in place a qualified replacement within ninety (90) calendar days of the last day of employment of the departing Key Project Personnel. Contractor shall agree to provide the first thirty (30) days of a replacement resource with equivalent skill at no additional charge.

- vi. The following table provides Contractor Key Personnel positions, corresponding roles and responsibilities for the project, and minimum qualifications for each.
- vii. Roles and Responsibilities of Contractor Key Personnel

Staffing Table 1: Key Project Personnel

Personnel Level	Role	Resource	Roles and responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
						DDI	O&M
Key Personnel/ Program Staff	Account Director	Jim Clair	<input type="checkbox"/> Goold / Emdeon Contract Management <input type="checkbox"/> Contract Negotiations <input type="checkbox"/> Provides contract management <input type="checkbox"/> Executive level oversight <input type="checkbox"/> Conflict resolution <input type="checkbox"/> Change management final approval <input type="checkbox"/> Primary point of contact with the State's Contract Administrator, Pharmacy Director and other State Executive Sponsors for activities related to contract administration, overall project management and scheduling, correspondence between the State and the Contractor, dispute resolution, and status reporting to the State for the duration of the contract <input type="checkbox"/> Authorized to commit the resources of the Contractor in matters pertaining to the implementation performance of the contract <input type="checkbox"/> Responsible for addressing any issues that cannot be resolved with the Contractor's Account Manager <input type="checkbox"/> Does not have to work 100% on site with the State	<input type="checkbox"/> Served as Goold's CEO for 7 years <input type="checkbox"/> Overseen all of Goold's contracts <input type="checkbox"/> Responsible for all Goold staff <input type="checkbox"/> Contract Adherence	<input type="checkbox"/> State Contract Administrator <input type="checkbox"/> Emdeon EVP Pharmacy <input type="checkbox"/> Emdeon CEO	0.15	0.1
Key Personnel / Program Staff	Account Manager	Karyn Wheeler, MBA, PMP	<input type="checkbox"/> PBM Business expert <input type="checkbox"/> On-site management of the project <input type="checkbox"/> Chief liaison for the State for project activities <input type="checkbox"/> Day-to-day project decisions	Karyn Wheeler, MBA, PMP has been with Goold Health Systems for over 5 years and has managed multiple accounts, as well as both internal and external projects. Ms. Wheeler has an MBA from Thomas College, and a BA from	<input type="checkbox"/> State Contract Administrator <input type="checkbox"/> State Project Manager <input type="checkbox"/> State Pharmacy Director <input type="checkbox"/> Goold Account	1	1

Personnel Level	Role	Resource	Roles and responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
			<input type="checkbox"/> Organizing the project, and managing the team <input type="checkbox"/> Direct the planning, design, development, implementation of programs <input type="checkbox"/> Ensures all information and documents for programs and services are in compliance <input type="checkbox"/> Scheduling and reporting project activities, <input type="checkbox"/> Host bi-weekly on-site status meetings, <input type="checkbox"/> Advises the State regarding best practices and recommends modifications to business processes <input type="checkbox"/> Provides support to resolve provider issues <input type="checkbox"/> Manage all activities in the project management plans <input type="checkbox"/> Expected to host bi-weekly on-site status meetings, monthly milestone meetings, as well as interim meetings. Shall assign Contractor staff to those meetings as appropriate. Shall provide an agenda and develop minutes for each meeting	<p>Smith College. She is currently certified as a Project Management Professional (PMP) by the Project Management Institute (PMI).</p> <p>She has been the Maine Point of Purchase (MEPOP) and PBM Account Manager for the last 3 years. She assumed responsibility for the DDI phase, taking over the on-site management of all configuration / implementation project activities, as well as for the operational phase of the project. She serves as the primary liaison and point of contact for the customer and is authorized to make day-to-day project decisions.</p> <p>Ms. Wheeler has extensive experience in all aspects of GHS' PBM business applications and is familiar with all facets of the company's services and solutions, including POS & related functionality, clinical systems and services, rebate management, and program integrity.</p> <p>She is knowledgeable about Medicaid in general and State-specific Medicaid pharmacy programs in particular. She has in-depth experience in facilitating large projects using best practices.</p> <p>Ms. Wheeler's project</p>	<p>Director</p> <p><input type="checkbox"/> Goold PMO</p>		
			<input type="checkbox"/> Participates in developing, implementing, and maintaining cost-effective programs and strategies to provide value added services to the Department <input type="checkbox"/> Provide expert guidance ensuring that pharmacy policy and business rules from the current Pharmacy Benefits program are correctly implemented in the Contractor's solution <input type="checkbox"/> Advises the State regarding best practices and recommends modifications to business processes which improve the overall Pharmacy Benefits program <input type="checkbox"/> Provides support to resolve provider issues				

Personnel Level	Role	Resource	Roles and responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
			<ul style="list-style-type: none"> Is expected to work 100% on site with State staff 	<p>management functions include scheduling and reporting on project progress, coordinating personnel resources, managing risk and risk responses, issue management and resolution, troubleshooting, stakeholder and communication management and facilitating regular (weekly, bi-weekly and/or monthly) status meetings including resource assignments, minutes and agendas.</p> <p>Ms. Wheeler's primary responsibility is ensuring project compliance with all applicable contract requirements, as well as internal and external rules, regulations and policies. She has a strong interest in ensuring that sufficient focus is devoted to continuous process improvement in order to facilitate an efficient, cost-effective program that follows best practices and industry standards.</p> <p>Recently, she was involved in a collaborative effort with the Clinical Pharmacy Manager for Maine, GHS Medical Directors, and others to recommend, develop and implement a new Pharmacy Care Management pilot program as a value add for the State of Maine. This program utilizes expert clinical management to control the costs of new and expensive specialty</p>			

Personnel Level	Role	Resource	Roles and responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
				medications while maintaining or improving health outcomes.			
Key Personnel / Clinical Staff	Clinical Pharmacist Manager	Michael Ouellette, R.Ph	<ul style="list-style-type: none"> ▪ Senior clinical pharmacy expert in the area of Pharmacy Benefits Management systems ▪ Oversees clinical management of all PBM programs and resources ▪ Mentors pharmacy interns during experiential rotations ▪ Provide drug information to support clinical initiatives ▪ Provide assistance on HCPCS & CPT coding pertaining to drugs ▪ Monitor drug utilization trends & make clinically/financially sound recommendations to 	<input type="checkbox"/> 20+ years of Medicaid experience with 12 years managing provider services & clinical pharmacy management <input type="checkbox"/> Experienced in clinical pharmacy program management, DUR, formulary/PDL development, <input type="checkbox"/> Active member of Maine's DUR since 1996 and familiar with all DUR activities and implemented many initiatives, criteria and analysis. Coordinates scheduling, meeting minutes and agenda topics including communications for DUR activities. <input type="checkbox"/> Oversight of Maine's PA determination and pharmacy/provider help desk teams <input type="checkbox"/> Critical subject matter expert in the implementation and ongoing operations of new pharmacy help desk support teams. <input type="checkbox"/> Supervise large team of pharmacists, pharmacy techs	<input type="checkbox"/> State Pharmacy Director <input type="checkbox"/> Goold Account Director <input type="checkbox"/> Goold Senior Director/ Lead Implementation Pharmacist, John Grotton, R.Ph	1	1

Personnel Level	Role	Resource	Roles and responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
			<p>the State</p> <p>Support pro-DUR and retro-DUR activities & provider communications</p> <ul style="list-style-type: none"> ▪ DUR Board coordination and support ▪ Acquire, analyze, and present information regarding pharmacy benefit management “best practices” ▪ Support drug appeals ▪ Resolve provider issues <p><input type="checkbox"/> Analyze utilization data, prior authorization data and other clinical program data to assess the need for changes</p> <p><input type="checkbox"/> Is expected to work 100% on site with State staff</p>	<p>and helpdesk staff including, Pharmacy Care Management program and Clinical Drug Reviews</p> <p><input type="checkbox"/> Works closely with GHS SMEs and state stakeholders to ensure seamless integration of various Medicaid programs.</p> <p><input type="checkbox"/> Coordinate & implementing policy with the GHS Medical Director and GHS Contract Managers</p> <p><input type="checkbox"/> Oversees Fair Hearings/Appeals process. Successfully, attended and defended multiple hearings on the State’s behalf.</p> <p><input type="checkbox"/> Pursuing Vermont-licensure, currently licensed in the State of Maine and State of New Hampshire and in good standing</p> <p><input type="checkbox"/> Oversight and management of clinical PA processing, including enforcement of business rules and policies</p> <p><input type="checkbox"/> Creation and oversight of Maine’s Medication Therapy Management (MTM) program</p> <p><input type="checkbox"/> Mentored over 30 interns in the past 10 years through pharmacy interns from College of Pharmacy Programs (MCP-Boston, Worcester and Manchester, URI, Albany and UNE).</p>			

Personnel Level	Role	Resource	Roles and responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
				<input type="checkbox"/> Currently utilizes and provides support for drugs utilizing HCPCS and CPT codes <input type="checkbox"/> Responsible for Provider Inquiries and Issues, Mike has dealt with all issues related to Providers and has resolved all issues with communication inclusive of the State in the process that exceeds State Policy. <input type="checkbox"/> Works closely with GHS SMEs and state stakeholders to analyze all data regarding to utilization, PA and other clinical trending to identify changes that may require recommendations due to financial impact or patient safety <input type="checkbox"/> Responsible for Provider communications discussing trending, changes and or implantation of new clinical criteria because of pro-DUR or pro-DUR and retro-DUR activities and the processes needed to impact results.			
Key Personnel / Clinical Staff	VT Data Analyst	Alex Atayev, MD	<input type="checkbox"/> Responsible for all State data requirements and reporting needs <input type="checkbox"/> Provides ad hoc reporting as requested by Pharmacy Benefits Management staff <input type="checkbox"/> Ensure the integrity of pharmacy data used in claims processing	<input type="checkbox"/> 20 years of experience in clinical data and statistical analyses in medicine, healthcare policy and management, including the last 14 years in Medicaid programs of 21 states <input type="checkbox"/> Extensive knowledge of Medicaid claims processing,	<input type="checkbox"/> Goold Clinical Pharmacist Manager, Michael Ouellette <input type="checkbox"/> Goold Account Director <input type="checkbox"/> Goold Senior Director/ Lead	1	1

Personnel Level	Role	Resource	Roles and responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
			<input type="checkbox"/> Management of procedures associated with systems change orders <input type="checkbox"/> Management of requests for claims adjustments <input type="checkbox"/> Informational resource pertaining to inquiries, system configuration, and data files <input type="checkbox"/> Does not have to work 100% on site with the State	data management, pharmacy practices, and the Vermont Medicaid program <input type="checkbox"/> Deep familiarity with data structures of the Vendor's technology	Implementation Pharmacist, John Grotton, R.Ph		

Staffing Table 2: Project Support Staff

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
						DDI	O&M
Program Staff	Project Management Officer (PMO)	Jason Hargrove	<input type="checkbox"/> Project Management oversight <input type="checkbox"/> Contract negotiations <input type="checkbox"/> Goold Resource management <input type="checkbox"/> Certification oversight	<input type="checkbox"/> Supervises the implementation of all PBM implementations <input type="checkbox"/> SLA management <input type="checkbox"/> Overseen all of Goold's certification efforts	<input type="checkbox"/> State Contract Administrator <input type="checkbox"/> State Project Manager <input type="checkbox"/> Goold Project Sponsor	0.4	0

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
Clinical Staff	Lead Implementation Pharmacist	Chad Bissell, Pharm D, MBA	<input type="checkbox"/> SMAC <input type="checkbox"/> DUR Support <input type="checkbox"/> PDL support, <input type="checkbox"/> Implementation, <input type="checkbox"/> pharmacy policy <input type="checkbox"/> PA, SMAC, DUR	<input type="checkbox"/> Regional Account Manager with GHS for over eight (8) years. <input type="checkbox"/> Advising State policy staffs on pharmacy issues <input type="checkbox"/> Oversight of several state maximum allowable cost programs for 5 State clients <input type="checkbox"/> PDL maintenance <input type="checkbox"/> P&T Committee support <input type="checkbox"/> Account Manager - Mississippi Division of Medicaid <input type="checkbox"/> Clinical Pharmacy Manager and DUR Director - Iowa Medicaid Enterprise <input type="checkbox"/> Interim account manager Alabama Medicaid <input type="checkbox"/> Preferred Drug List development and maintenance West Virginia Bureau for Medical Services. <input type="checkbox"/> Pursuing VT licensure, Licensed in good standing in Iowa.	<input type="checkbox"/> Clinical Pharmacist Manager <input type="checkbox"/> State Pharmacy Manager <input type="checkbox"/> Lead Implementation Pharmacist	0.75	0.5
Clinical Staff	Medicaid Pharmacy Policy Expert	John Grotton	<input type="checkbox"/> Pharmacy Implementation lead <input type="checkbox"/> Formulary development <input type="checkbox"/> Pharmacy policy expert <input type="checkbox"/> Rebate, J-Code	<input type="checkbox"/> Extensive knowledge of claims processing systems (including Medicaid), utilization management programs, and drug information systems <input type="checkbox"/> Drug information specialist	<input type="checkbox"/> Clinical Pharmacist Manager <input type="checkbox"/> State Pharmacy Manager <input type="checkbox"/> Lead Implementation Pharmacist	0.75	0.5

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
Clinical Staff	Negotiations Pharmacist	Steve Liles	<input type="checkbox"/> SSDC support. <input type="checkbox"/> Clinical review of new drugs <input type="checkbox"/> Pricing <input type="checkbox"/> PDL recommendations	<input type="checkbox"/> Negotiation of supplemental rebates with drug manufacturers for both the SSDC multistate pool and Georgia Medicaid <input type="checkbox"/> Advises client states on Preferred Drug List strategies, taking into account changes in the drug marketplace (such as drug shortages, price/rebate changes, recent and expected brand and generic drug launches), market share shifts and clinical evidence. <input type="checkbox"/> Monitors and analyzes state and federal legislation and policies affecting Medicaid pharmacy <input type="checkbox"/> Presents supplemental rebate information, cost modeling and PDL recommendations to several client states' P&T/DUR Committees, as well as to the SSDC states during their annual meeting.	<input type="checkbox"/> State Pharmacy Manager <input type="checkbox"/> Clinical Pharmacist Manager <input type="checkbox"/> Lead Implementation Pharmacist	0	0.1
Clinical Staff	Physician support	Laureen Biczak, DO	Clinical input – PDL, DUR, SSDC support	<input type="checkbox"/> Oversees clinical aspects of the pharmacy benefits for the Medicaid Agencies in multiple states <input type="checkbox"/> Recommends both pro-DUR and retro-DUR criteria <input type="checkbox"/> Oversight of clinical prior authorization activities <input type="checkbox"/> Oversight of clinical and fiscal aspects of PDL design including supplemental rebate negotiation, and integration with State Maximum Allowable Cost activities	<input type="checkbox"/> Clinical Pharmacist Manager <input type="checkbox"/> State Pharmacy Manager <input type="checkbox"/> Lead Implementation Pharmacist		0.1

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
				<input type="checkbox"/> Active participant in the P & T and DUR meetings in multiple states <input type="checkbox"/> Oversight of all clinical activities at Goold, including the medical and radiology benefit management services			
Clinical Staff	Behavioral Health Physician	Jeff Barkin, MD	Psychiatrist Clinical input – PDL, DUR, SSDC support	<input type="checkbox"/> Associate Medical Director with Goold Health Systems for 5 years <input type="checkbox"/> Medical Director guidance to client states pharmacy clinical programs <input type="checkbox"/> development of clinical therapeutic class and drug reviews <input type="checkbox"/> Recommend both pro-DUR and retro-DUR criteria and oversee clinical prior authorization activities	<input type="checkbox"/> Clinical Pharmacist Manager <input type="checkbox"/> State Pharmacy Manager <input type="checkbox"/> Lead Implementation Pharmacist		0.1
Clinical Staff	Implementation Pharmacist support	Tina Hisel, PharmD	<input type="checkbox"/> POS Implementation <input type="checkbox"/> JAD sessions <input type="checkbox"/> documentation <input type="checkbox"/> program management	<input type="checkbox"/> Regional Account Manager with GHS for over three (3) years. <input type="checkbox"/> Consults with the data processing department regarding formularies, drug coverage, drug file issues, audit, and reporting <input type="checkbox"/> Expert clinical evidence-based reviews of targeted classes of drugs <input type="checkbox"/> P & T Committee Support <input type="checkbox"/> Develops criteria for prior authorization <input type="checkbox"/> Oversight and clinical review of a Hemophilia Audit Program	<input type="checkbox"/> Clinical Pharmacist Manager <input type="checkbox"/> State Pharmacy Manager <input type="checkbox"/> Lead Implementation Pharmacist	0.75	0

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
Program Staff	Ryan Sweeney, Implementation Manager	Diplomat	<ul style="list-style-type: none"> Participates in JAD sessions, meetings, and provides information/guidance Scheduling and reporting project activities for Diplomat Organizing and managing Diplomat team 	<ul style="list-style-type: none"> 15 years of experience in retail and financial management management record also includes successful troubleshooting, process improvement, communications, and training Successful implementation of over 100 groups with zero disruption of therapy 	<ul style="list-style-type: none"> State Contract Administrator State Project Manager State Pharmacy Director Goold Clinical Pharmacist Manager Goold Account Manager 	.75	0
Clinical Staff	Ryan Nolan, PharmD, Clinical Pharmacy Manager	Diplomat	<ul style="list-style-type: none"> Participates in JAD sessions, meetings, and provides information/guidance as needed 	<ul style="list-style-type: none"> Experience in developing and implementing prior authorization programs Strategic pipeline monitoring Leader in Specialty pharmacy program development 	<ul style="list-style-type: none"> State Contract Administrator State Project Manager State Pharmacy Director Goold Clinical Pharmacist Manager Goold Account Manager 	0.1	0.1

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
Program Staff	Samantha White, Senior Account Manager	Diplomat	<ul style="list-style-type: none"> • Chief liaison for the State for project activities • Participates in developing, implementing, and maintaining specialty pharmacy program 	<ul style="list-style-type: none"> • 4 years of Account Management Expertise at Diplomat Specialty Pharmacy • 10 years of sales and marketing experience at a Fortune 300 corporation 	<ul style="list-style-type: none"> • State Contract Administrator • State Project Manager • State Pharmacy Director • Goold Clinical Pharmacist Manager • Goold Account Manager 	0.1	0.1
Technical Staff	VT PBM Systems Implementation Manager	Miklos Van Halen, PMP	<input type="checkbox"/> Manages the implementation of all systems, infrastructure and architecture <input type="checkbox"/> Manages multiple system integration <input type="checkbox"/> Manages POS, rebate, and supporting systems hardware and software <input type="checkbox"/> Directs and monitors the work of the VT PBMS Team for project completion and customer satisfaction	<input type="checkbox"/> Medicaid system design and management experience, including POS system design and development <input type="checkbox"/> Experience with project management of an enterprise-wide architecture, networking, multiple systems integration, hardware and software <input type="checkbox"/> Manages technical team and activities from inception through post-implementation <input type="checkbox"/> A Bachelor's Degree in Information System Engineering, Computer Science or a related field.	<input type="checkbox"/> GHS / VT Account Director <input type="checkbox"/> GHS / VT Account Manager <input type="checkbox"/> State Technical Manager	0.35	0.1

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
			<input type="checkbox"/> Coordinates all system implementation activities with local/internal, regional, and remote personnel, as well as contractors				
Technical Staff	VT System Architect	Darren Hartford		<input type="checkbox"/> Designs and builds relational databases in MS SQL <input type="checkbox"/> Implements data models and database designs <input type="checkbox"/> Reviews, evaluates, designs, implements and maintains company database. <input type="checkbox"/> Identifies data sources <input type="checkbox"/> Constructs data decomposition diagrams <input type="checkbox"/> Provides data flow diagrams and documents the process. <input type="checkbox"/> multi-platform ETL <input type="checkbox"/> Data sourcing <input type="checkbox"/> Prepares Data <input type="checkbox"/> Assists Information analysts with technical and programming issues.	<input type="checkbox"/> VT PBM Systems Implementation Manager <input type="checkbox"/> GHS / VT Account Manager <input type="checkbox"/> State Technical Manager <input type="checkbox"/>	0.8	0.1
Technical Staff	VT PBM Interface Manager	Shon Thompson	<input type="checkbox"/> Manages technical coordination meetings and facilitates interaction across all project groups		<input type="checkbox"/> VT PBM Systems Implementation Manager	1	0.1

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
			<input type="checkbox"/> Develops the interface matrix <input type="checkbox"/> Identifies interface performance issues <input type="checkbox"/> Works with technical staff to facilitate resolution <input type="checkbox"/> Collects and reviews data inputs and audit output data <input type="checkbox"/> Identifies and resolves production related errors <input type="checkbox"/> Maintains/revises procedural lists and control records		<input type="checkbox"/> GHS / VT Account Manager <input type="checkbox"/> State Technical Manager		
	VT Solutions Architect	Vicki Clewley		<input type="checkbox"/> Solutions Analysts for eREBS software development <input type="checkbox"/> Functionality Analyst for rebate applications <input type="checkbox"/> Conversion Analyst for Wyoming, Iowa, Georgia rebate historical data <input type="checkbox"/> Financial Analyst for rebate historical conversions <input type="checkbox"/> eREBS software training for GHS staff and State of Utah rebate staff <input type="checkbox"/> Implementation Project Coordinator for Affordable Care Act for Georgia <input type="checkbox"/> MCO data feed coordination		1	0.25

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
				<ul style="list-style-type: none"> o MCO rebate business rules and processing o MCO Georgia rebate technical contact <input type="checkbox"/> Business Development RFP support and technical writing <input type="checkbox"/> eREBS software demonstration lead 			
	VT PBM Operations Manager	Marcia Pykare	<ul style="list-style-type: none"> <input type="checkbox"/> Manages all POS operational activities <input type="checkbox"/> Reviews POS functions for compliance <input type="checkbox"/> Researches all pricing inquiries <input type="checkbox"/> Manages all operations of the VT PBMS Data Services Department, including supervising personnel, quality control, resource management, systems performance and integrity, plan development and maintenance, <input type="checkbox"/> Ensures services are performed to fulfill client needs and auditing requirements 	20 + years' experience managing pharmacy POS operations and personnel for a Medicaid POS.			1
Program Staff	VT Technical Project Manager	Lynn Eastman	<ul style="list-style-type: none"> <input type="checkbox"/> Change Management Lead <input type="checkbox"/> Project planning and coordination between internal teams. 	<ul style="list-style-type: none"> <input type="checkbox"/> In her 8 years with GHS, Lynn Eastman has implemented numerous large-scale. <input type="checkbox"/> Ensure that business rules and processes are identified and documented 	<ul style="list-style-type: none"> <input type="checkbox"/> State Project Manager <input type="checkbox"/> VT Account Manager 	0.5	0.25

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
			<input type="checkbox"/> Gather requirements, conduct JAD sessions and create associated documents. <input type="checkbox"/> Assigns and tracks tasks to ensure a quality release. <input type="checkbox"/> Identifies obstacles and work with team to resolve and/or create short and long-term solutions. <input type="checkbox"/> Coordinates and assists in developing standards for Quality Assurance. <input type="checkbox"/> Maintains and manages project scope, updating and educating stakeholders.	<input type="checkbox"/> Ensure that all business logic is correctly configured within the Contractor's solution <input type="checkbox"/> Ensure all business rule configuration is completed in accordance with the plan <input type="checkbox"/> Recommend improvements to business processes to ensure that the final solution enables cost savings to the State through process improvement <input type="checkbox"/> Assist in identifying and developing test cases for using in User Acceptance Testing and Operational Readiness Testing	<input type="checkbox"/> VT Operations Manager <input type="checkbox"/> Goold PMO		
	VT Operations Lead	Vonnie Wilcox		<input type="checkbox"/> Full time supervisor of Data Control Technicians, Pharmacy Formulary Tech II, Pharmacy Formulary Tech Coordinator <input type="checkbox"/> Operations Team Lead <input type="checkbox"/> daily maintenance and management of new or existing programs <input type="checkbox"/> liaison between clients, management, users and developers <input type="checkbox"/> meeting timelines and deadlines		0.2	1
	VT Rebate Manager	Rossi Rowe	<input type="checkbox"/> Ensures contract compliance for each Rebate account	Previous management experience required. Excellent written and verbal communication skills required.		0.5	0.15

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
			<input type="checkbox"/> Maintains current status of all tasks for different projects and keeps Director and other Team Leaders apprised as necessary <input type="checkbox"/> Identifies obstacles and helps coordinate with stakeholders to overcome them or adjust project scope for both short-term and long-term solutions <input type="checkbox"/> Maintains and manages project scope, updating and educating stakeholders throughout the life of each project	Demonstrated ability to meet deadlines. Experience with technical writing and user documentation design required. Must have experience with a Data Processing type environment. Must be able to communicate and work with a variety of personnel to accomplish project goals. Must have excellent and proven abilities to work with a variety of people; successfully manage relations and tasks in a positive and thriving manner.			
	VT Rebate SR Supervisor	Shari Martin	<input type="checkbox"/> Day to day operations and oversight of the VT PBMS Rebate Team <input type="checkbox"/> Assists rebate staff and support personnel in understanding their assigned tasks and ensuring that they are completed on time and in the manner expected			0.25	1
	Reporting Lead	Jason Rushing	Reports	<input type="checkbox"/> Over fourteen (14) years' experience in report design and data analysis <input type="checkbox"/> Crystal Reports developer since 1998 with a focus on automating and publishing reports to Business Objects Enterprise server			

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
				<input type="checkbox"/> Business Objects Enterprise administrator responsible for maintaining Web Intelligence, OLAP cubes and user permissions <input type="checkbox"/> SQL Server Reporting Services developer trained by Microsoft certified training partner			
Technical Staff	VT Communications / Network Specialist	Chris Siegel	Oversight of all IT functions including data center management, vendor relationships, technical support, infrastructure management and monitoring, data and telecom connectivity, software licensing, security and information assurance, and disaster recovery planning	<input type="checkbox"/> over 12 years of enterprise level experience <input type="checkbox"/> Data Security <input type="checkbox"/> Enterprise Architectures <input type="checkbox"/> Information Assurance <input type="checkbox"/> .	<input type="checkbox"/> VT PBM Systems Implementation Manager <input type="checkbox"/> GHS / VT Account Manager <input type="checkbox"/> State Technical Manager	.1	0
Program Staff	VT Rebate Project Manager	Shelagh Harvard	<input type="checkbox"/> Rebate PM-eREBS <input type="checkbox"/> Certification Assistance under Jason Hargrove	<input type="checkbox"/> Project manager for the State Upper Limit program for the New Jersey Division of Medical Assistance and Health Services (Medicaid) <input type="checkbox"/> Project manager for the State Maximum Allowable Cost (SMAC) program for the Minnesota Health Services and Medical Management Division (Medicaid) <input type="checkbox"/> Project manager for the State Maximum Allowable Cost (SMAC) program for the North Dakota Department of Human Services Medical Services Division (Medicaid)		0.6	

Personnel Level	Role	Resource	Roles and Responsibilities	Qualifications	Reporting relationship	Project Resource Level (FTE)	
				<div><input type="checkbox"/> Develops, implements, and monitors comprehensive plan across all technical groups</div> <div><input type="checkbox"/> JAD session facilitator</div> <div><input type="checkbox"/> Scope verification – review planned work against RFP and proposed materials</div> <div><input type="checkbox"/> Deliverable review and approval</div> <div><input type="checkbox"/> Contract support</div> <div><input type="checkbox"/> Technical team coordination</div> <div><input type="checkbox"/> Weekly implementation meetings and status update reports</div>			

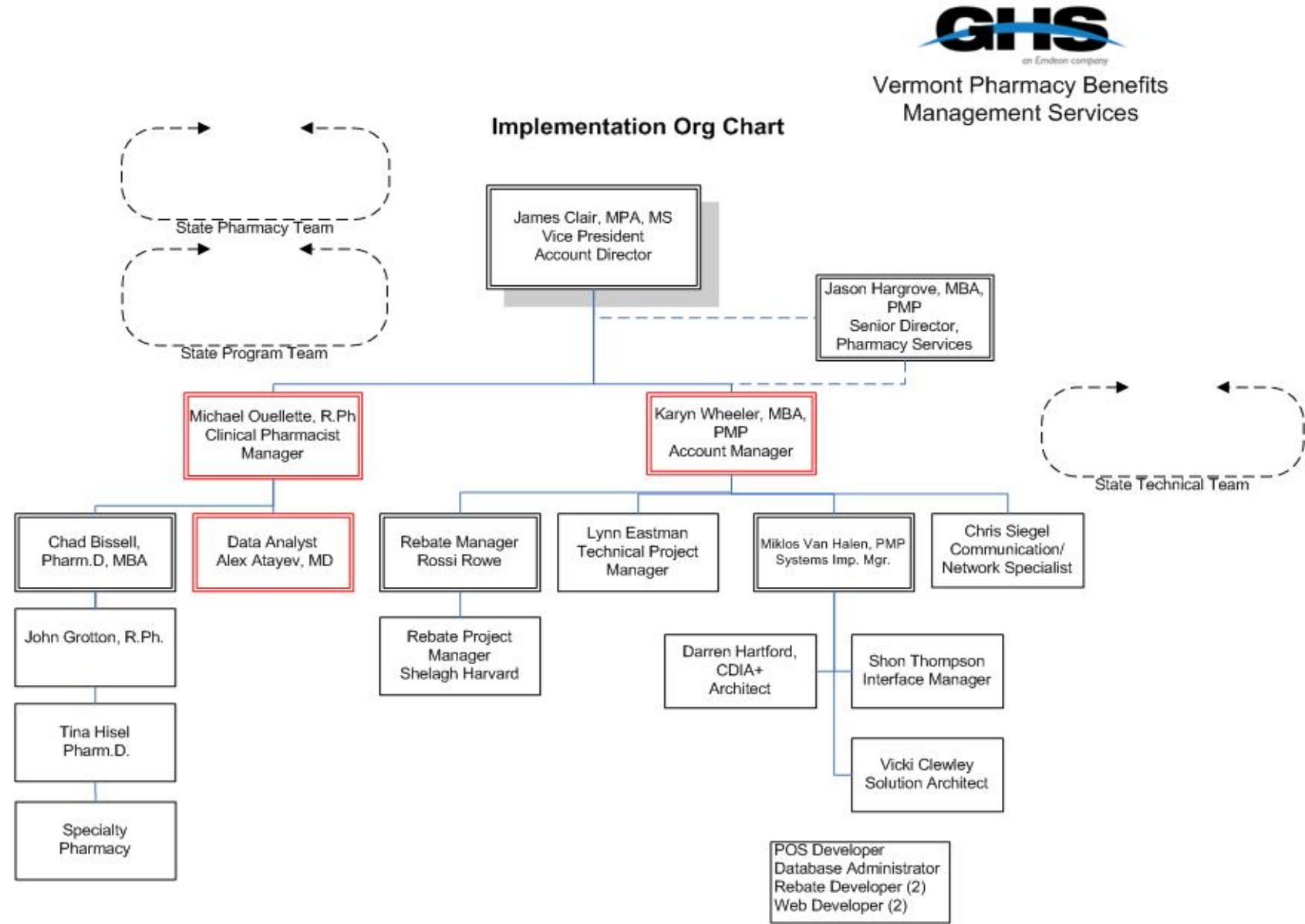
Staffing Table 3: Additional Project Staff

Additional Project Staff will include the following (their % assignment being for estimating purposes):

Vermont Based Named Staff	Project Role	Implementation %	Operations %
Tina Baker	Helpdesk Supervisor	.5	1.0
Anna Siegel, PharmD	MTM Pharmacist		1.0
Sandy Pranger, R.Ph.	PA Pharmacist		1.
Bruce Lambrecht, R.Ph.	PA Pharmacist		1.
Meagan Truchon	Pharmacy Technician		1.
Michele Gilbert	Pharmacy Technician		1
Sarah Taylor	Pharmacy Technician		1
Other Support Named Staff	Project Role	Implementation %	Operations %
Dustin Paige	PDL Technician	.15	.15
Danielle Croteau	Formulary Technician	.15	.15
Teresa Thompson	SMAC Pharmacy Technician		.15
Bart Shattuck	Programmer	1	.15
Brian Butterfield	Systems Administrator	.5	.15
Corey Lessard	Database Administrator	.8	.15
TBD	VT PBM Testing Manager	0.15	.0
Neil McCormick	VT Rebate Developer Lead	.8	.15
Stephen Wallace	VT Rebate Development support	.5	.1
Dawn Bates	QA Lead	1.0	.2
Larry Meader	Web Developer	1.	.1
Adam Bickford	Web Developer	.5	.15
Samantha Thurlow	Rebate Specialist		1.0
Catalina Olivo-Cuevas	Rebate Specialist		1.0
Lisa Covey, CPA	Rebates-Certified Public Accountant	.1	.1
Brenda Nelson	Accounting Assistant		.5

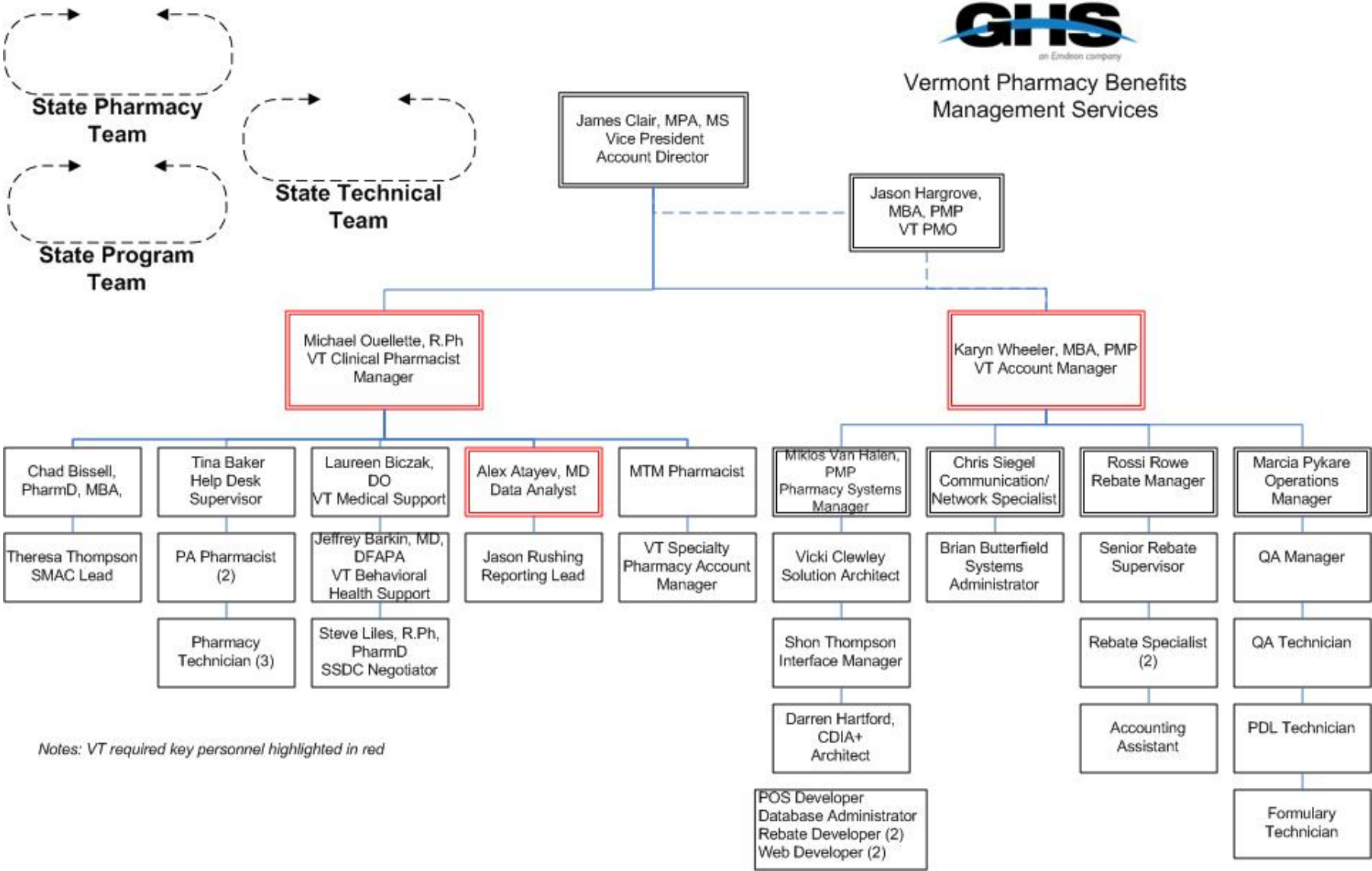
Pat Coffin	Contract Coordinator		.25
Jill Kingsbury	Rebate Analyst		.15
Lusine Jagharian	Business Analyst	1.	.1
Matt Pettengill, CAPM	Documentation Specialist	.75	.1

Implementation Organization Chart



Notes: VT key personnel highlighted
in red

Operations Organization Chart



APPENDIX I ADDITIONAL SCOPE OF WORK REQUIREMENTS

The Contractor agrees to the following provisions:

Point-of-Sale (POS) The Contractor's POS claims processing system must support online, real-time operations for receipt, adjudication, and notification to billing providers regarding the disposition of a claim (e.g., as payable, denied, or requiring more information).
The Contractor's POS claims processing system must adhere to the most current version of the National Council for Prescription Drug Program (NCPDP) Implementation Guide functionality for Governmental Programs to allow appropriate reimbursement and coordination of a Member's benefits.
The Contractor's POS claims processing system must support NCPDP Multi-Ingredient Compound functionality to process compounded claims in accordance with current Department policy and procedures.
The Contractor must support implementation and ongoing support of providers' interaction with the Contractor's POS systems including, but not limited to, the following
1. Establish testing procedures
2. Coordinate with network Contractors to ensure smooth operation of the POS system
3. Certify provider practice management systems (e.g., service bureaus, switches, etc.) as compatible and ready to interface with the Contractor's POS system
The Contractor's POS claims processing system must be capable of adding, changing, or removing adjudication rules, edits, and customized transmission messages to accommodate Department-required changes for its current and future pharmacy programs.
The Contractor's POS claims processing system must support, at a minimum, the following:
a. The ability to track and report on the specific adjudication rule in effect by date of service and date of payment, and the date the rule was changed, added or deleted
b. Adjudication rules customized for each of the Department's programs by category codes within Medicaid, eligibility status, Member attributes (e.g. age, sex, medical condition, etc.), ambulatory, long-term care, hospice or other residential setting, drug or drug class (e.g. brand/generic status, drug coverage status, preferred drug list status or other attributes), Medicare-Medicaid dual eligible status and other criteria specified by the Department.
c. The ability to look up the PDL status of a drug at a claim and NDC level
The Contractor's POS claims processing system must support unique edit and claims processing logic as specified by the Department for each of its individual programs including, at a minimum, the following:
a. Prescriber Validation – Validate the prescriber entry on the claim using either a National Provider (NPI) check digit or an HCidea National Provider Identifier/DEA Lookup from the NCPDP, and/or the Department's Master Provider Index as specified by the Department.
b. Co-Payments – Calculate different co-payment amounts for different pharmacy programs, for different drugs, and for beneficiaries based on age or any other specifications provided by the Department.
c. Prior Authorization (PA) Requirements – Edit for drugs requiring PA or bypass PA requirements when authorization is granted for the date of dispensing or automated authorization is allowed based on pharmacy or medical claims history files. In particular, system must be capable of displaying expiration dates of prior authorizations at POS.

d. Diagnosis-Specific Requirements – Edit for drugs requiring submission of specific diagnosis codes.
e. Age-Specific Requirements – Edit for drugs requiring specific Member age restrictions
f. Other Reference Files – Apply Department-specified payment criteria based on First DataBank, Medi-Span, or other reference files approved for use by the Department.
g. Preferred Drug List and Other Formulary Requirements – Deny payment for drugs requiring PA, non-preferred, non-covered drugs or drug classes not covered by a Member’s pharmacy program and notify the provider through an online, real-time response. Exceptions must be allowed when approved by the Department or based on Department-approved criteria.
h. Authorized Providers – Limit payment for selected drugs, classes, or specific Department programs to authorized prescribers as designated by the Department. For example, limit certain dosage forms of buprenorphine to prescribers with an X-DEA number.
i. Compounded Drugs – Capture, edit, and adjudicate compounded drug claims as specified by the Department. Must be able to apply edits at ingredient level detail
j. Quantity, Days Supply, and Frequency of Service – Validate claims to assure that the quantity of services is consistent with the Department’s policy (i.e., verify drug specific minimum and maximum quantity limitations are followed including any days supply limitations and frequency limitations).
k. Benefit Restrictions – Impose pharmacy benefits restrictions that apply to a given recipient including, but not limited to: benefit restrictions based on the lock-in program, living arrangements (e.g., ambulatory versus long-term care settings), and eligibility for the Department’s different pharmacy programs.
l. Approved Manufacturers – Deny payment for drugs distributed by manufacturers not participating in the federal manufacturer drug rebate program, except as directed by the Department for specific pharmacy programs or products.
m. Proposed Less-Than-Effective Drugs – Deny payment for drugs that the federal government has identified as proposed less-than-effective under the Drug Efficacy Study Implementation (DESI) program and as identical, related, or similar to such drugs.
n. Other CMS-Restricted Drugs – Deny payment for any drug that CMS identifies as restricted.
o. Sanctioned Providers – Deny payment for sanctioned providers (e.g., pharmacies or prescribers) designated, and as provided to Contractor, by the federal government and the State.
The Contractor’s POS claims processing system must provide NCPDP standard messages in addition to customized transmission response messages as specified by the Department for its current or future programs including, but not limited to, the following:
a. Bill [Health Plan] and [phone number]
b. Bill Medicare Part B
c. Bill Medicare Part D [name] and [phone number]
d. Program has no pharmacy benefit
e. Bill as Medical Supplier
f. PA expires on [date]
g. Drug not covered – included in long-term care per diem rate

h. Doctor not authorized, pharmacy not authorized, doctor/NDC not authorized, or pharmacy/NDC not authorized related to the Lock-In Program (message must return authorized pharmacy)
The Contractor must be able to process POS, batch electronic claims (e.g. batch adjustments), and paper claims. Paper claims to be processed by the Contractor within 14 days of receipt
The Contractor must create electronic imaged copies of all paper claims and attachments within 24 hours of receipt.
The Contractor must notify the Department staff of any and all claims that have been erroneously processed by the claims processing system, and present a corrective action plan to the Department within five business days. The Contractor must initiate corrective actions, at no additional cost to the Department, only after the written approval of the Department.
The Contractor must analyze probable erroneous payments that have been brought to the Department's attention by providers or that have been identified through the Department's evaluation of paid claim samples.
The Contractor must base its POS transmissions and batch electronic transmissions on NCPDP and other required transactions and code sets. As additions and updates are available, the Contractor must continue to be in compliance and, at no additional cost to the Department, the Contractor must:
a. Implement new and updated NCPDP and other required transactions and code sets
b. Maintain compatibility with pharmacies using the previous version data elements and those providers using the updated version(s), according to the timeline approved by the Department
The Contractor must adjudicate primary, secondary, and tertiary pharmacy claims for the Department's current programs and any future programs consistent with the Department's coverage and reimbursement policies and procedures specified in the Vermont Provider Manual, the Pharmacy Provider Manual, Department PDL, the VT Medicaid State Plan, and other Department documentation. The Department's current programs are:
a. Medicaid
b. Dr. Dynasaur
c. VPharm
d. Healthy Vermonsters
e. VMAP(Ryan White HIV MA program)
f. Dual Eligibles
g. General Assistance
h. Long Term Care
The Contractor must provide automated audit trails to document, identify, and track chronological records and transactions throughout the Contractor's systems including, but not limited to, additions, deletions, and changes to PDL and formulary maintenance
Contractor's System must be capable of recording the PDL status of a drug on an NDC level, and capable of a look-up or query of PDL status of a drug on an NDC level.
Contractor's must maintain detailed electronic documentation outlining the specific benefit design structure that supports and represents the Department's pharmacy benefits in the Contractor's system

The Contractor must provide functionality to apply different reimbursement logic or benefit coverage as specified by the Department including, but not limited to, the following:
a. Ingredient Cost and Dispensing Fee Payments based on pharmacy network for compounded drugs, 340B drugs, specialty drugs, and other
b. Based on program, category code or other program specifications, Member age, drug or drug class, Medicare-Medicaid dual eligibility, beneficiaries residing in a nursing facility, and other
c. The State “lower of” reimbursement logic as outlined in the Vermont Medicaid State Plan included in the Procurement Library
Coordination of Benefits (CoB)
The Contractor must validate claims to determine whether there is a liable third party (or parties) that must be billed prior to billing the Department’s programs including, but not limited to, the following:
a. Denying payment for claims when a Member is covered by one or more carriers until the billing provider indicates the claim has been fully adjudicated (paid or denied) by the other payer(s)
b. Utilizing the Department’s, Contractor’s or external sources of TPL data and eligibility records to ensure that all payment opportunities are exhausted
c. Processing claims where multiple third parties are liable, at a minimum, must be able to correctly process claims where either the Department or an external insurer is the tertiary payer. Must be able to identify and/or assign multiple funding sources depending on the payer, if the payer is an Agency program.
d. Overriding COB editing as specified by the Department
e. Maintaining indicators to identify Medicare Part B drugs and process the claim balance remaining after subtracting the Medicare Part B payment for beneficiaries dually enrolled in Medicare and any of the Department’s programs
f. Coordinating benefits automatically with all primary payers including capturing and storing the primary payer’s data
g. Obtaining maximum cost avoidance and reimbursement for beneficiaries covered by third parties
The Contractor must report TPL plan information to billing providers when another payer is primary (or available) including, but not limited to:
a. Payer names, identifiers, addresses, phone numbers
b. The payer’s Bank Identification Number (BIN) and Processor Control Number (PCN).
The Contractor must be able to support the Department’s current COB process for mail order pharmacy coverage from another insurer.
Provider Support
The Contractor must maintain telephone support for technical and business operations. Vermont office hour coverage and off-hours coverage will be determined during the Implementation/JAD phase. The Contractor must maintain call center services and help lines to respond to providers about questions and issues including, but not limited to, general eligibility questions, claims inquiries, prior authorizations, operational questions and problems, clinical/drug inquiries, and general provider support. The Contractor must supply all required information systems, telecommunications, and personnel to perform these operations. Each of the following help lines must be available through a designated telephone number:
a. Pharmacy Support Services Help Line available toll-free 24 hours a day, during every day of the year, including all holidays to respond to questions on coverage, claims processing, pricing, reimbursement and other pharmacy-related issues. At a minimum, the call center will be staffed 7:30am-6:30pm Monday through Friday, and 7:30am-4pm on Saturdays with remaining hours supported through on-call services.

b. Prescriber Support Services Help Line (including toll-free telephone and toll-free fax access) available 24 hours a day, during every day of the year, including all holidays, to handle PA requests from prescribers, drug dispensing questions, or other requests from providers. At a minimum, the call center will be staffed 7:30am-6:30pm Monday through Friday, and 7:30am-4pm on Saturdays with remaining hours supported through on-call services.
The Contractor must provide operational and customer service that is scalable to meet the Department's future needs and includes, but is not limited to, the following:
a. An automated call distribution voice-response system;
b. Capacity to handle all telephone calls at all times including times of peak call volume and to meet the Department's needs and performance expectations with acceptable call completion and abandonment rates
c. Management tracking and reporting capabilities
d. A Quality Assurance program that includes call sampling and follow up to confirm efficient handling and caller satisfaction
e. Language translation services
f. Call response from individuals with hearing or visual impairments
g. Access to a pharmacist consultant 24 hours a day, during every day of the year, including all holidays
h. A reference document with guidelines on how to handle caller inquiries
i. A backup system available to operate in the event of line trouble or other problems
The Contractor must implement and maintain a provider contact and problem resolution tracking and document management system which, at a minimum, documents and tracks contacts with providers, identifies issues and describes the problem resolution. The Contractor must prepare an analysis of the issues which must be reviewed with Department staff at regularly scheduled meetings at the Department's discretion.
Contractor must prepare and distribute (subject to the Department's approval) all provider communications including but not limited to, provider notices, newsletters, operational, programmatic, or system changes of any type that impact providers , and clinical notices such as changes to drug coverage. Communications must be distributed in a variety of formats including, but not limited to direct mail, Contractor web portal, The State's website, email, fax, phone.
The Contractor must interface with the State of Vermont's Master Provider Index database in order to maintain a database of current contact information for providers. The Contractor must research any undelivered provider communication and make reasonable attempts to identify a new address for such providers.
The Contractor must design, develop, and implement customized provider portals for the Department that support the needs of the pharmacy programs. Contractor must support, update, and maintain the portals to meet the needs of the Department. The Contractor must guarantee any data exchange on its website between the Contractor and the Department and/or providers shall be secure.
The Contractor must update its portals, maintained for the Department, after the content of such updates has been approved by the Department. The Contractor's postings to its website must include, but not be limited to:
a. Important communications and alerts to providers
b. Drug Utilization Review (DUR) Board meeting schedules, meeting agendas and notices, policies, meeting minutes, member contact information
c. Other Department-designated committee activities.
d. Provider forms and reference policies or links to forms and policies, if applicable.

e. Drug information including the Vermont Preferred Drug List (PDL), special drug policies, Maximum Allowable Cost (MAC) policies and prices, frequently asked questions from manufacturers or providers.
f. Manuals including the Pharmacy Claims Processing Manual and links to the Vermont Medicaid Provider Manual.
g. Special provider policies and requirements including e-prescribing support.
h. Web-based PA requests.
i. Other documents as specified by the Department
Contractor must keep current electronic versions of Department-approved Pharmacy Provider Manual which must include payer sheets, instructions on POS, batch, and paper claims processing. The Contractor must post the Manual(s) on the provider portals and/or website and, on an on-going basis, maintain and update these manuals. Any modifications must be submitted to the Department for approval prior to implementation of revisions.
E-Prescribing
The Contractor must provide electronic prescribing companies (e.g. SureScripts, AllScripts,) access to the data for the Department's various programs including, but not limited to:
a. Member eligibility
b. Preferred Drug List including drug's PDL status, alternative choices within the class and their PDL status
c. Member drug claims history
d. Other Department specified data.
The Contractor must work with the Department to meet the Department's goals for electronic prescribing and for providing information to prescribers and pharmacies promoting electronic prescribing
The Contractor must provide, at a minimum, monthly reporting on e-Prescribing activities such as number of e-prescriptions, number of requests for eligibility, medication history, or PDL inquiries, and any technical or operational issue identified during the specified time period. Contractor must have quality assurance process in place to assure system integrity and display of required information.

Prior Authorization Program
1. Implementation of the operational processes to support drug coverage decisions for all clinical and non-clinical criteria
2. Operation of a provider call center staffed with appropriate clinical personnel
3. Notifications of decision to providers and beneficiaries
4. Compliance with all Department PA rules, regulations, and policies
5. Support of the grievance and appeal process
6. Detailed reporting and analysis on all aspects of the PA program
The Contractor must comply with all Department PA requirements including, but not limited to, providing a telephone call center which must:

1. Be accessible 24 hours a day, during every day of the year, including all holidays – except for Contractor downtime approved in advance by the Department
2. Support PA processing through toll-free telephone, toll-free facsimile, mail, and web-based requests through provider portal
3. Be compatible with real-time electronic editing of medication requests based on current paid claims history, Member eligibility, provider eligibility, and reference medical data supplied to the Contractor
4. Be staffed with appropriate technical and clinical personnel including clinical pharmacists
The Contractor must have functionality to automatically override PA requirements during POS processing based on data available from pharmacy claims paid by the Contractor and on medical claims history files provided by the Department to the Contractor.
The Contractor must include a review of the Member’s eligibility record as part of their PA processing to retrieve the information needed for PA determinations including, but not limited to:
a. Program eligibility
b. Existence of authorized prescribers
c. Existence of program coverage restrictions
d. Existence of alternative insurance (ex. Part B or primary commercial coverage)
d. Other elements specified and approved by the Department
The Contractor’s PA process must allow determinations based on various data elements identifying drug products including, but not limited to, the following:
a. The first 9-digits of a product’s NDC
b. First DataBank, Medispan, or equivalent, therapeutic classification system
The Contractor must send required notifications to the Member and provider when PA is approved or denied. Notifications must include the required components as outlined by the State.
The Contractor must coordinate and provide support to the Department and other State personnel who oversee the appeals process if an appeal results from a denied PA.
The Contractor must interface with the State of Vermont’s Master Person Index database in order to maintain a database of current contact information for beneficiaries. The Contractor must research any undelivered Member communication and make reasonable attempts to identify a new address for such beneficiaries.
The Contractor must allow for the dispensing of at least a 72-hour supply (or other Department-approved amount) of a drug product in an emergency situation as specified by the Department, except for non-covered drug classes or products.
The Contractor must maintain an electronic version of a PA policies and procedures manual, including, but not limited to:
a. Clinical criteria
b. Department-approved product protocols
c. Criteria for PA processing
The information shall be available on The State’s website and/or the provider portals

The Contractor must provide a PA system, accessible to designated state staff and providers, which maintains and allows the query of all pertinent information about PA requests and determinations including, but not limited to, the following:
a. Requesting provider name
b. Date and time of request
c. Member identifiers
d. Requested drug name, strength, form, and quantity
e. Program eligibility of the Member
f. Request status (i.e., approved, pending, denied)
g. Reason for denial or exception
h. Authorization begin and end dates
i. Date and time of action on the request
j. Authorization of a 72-hour emergency drug supply
k. Comprehensive and flexible “free-text” notation functionality.
The Contractor’s PA system must have flexible administrative reporting and include functionality to retrieve and track PA determinations using multiple search fields including, but not limited to: pharmacy program, Member name, Member unique identification number, provider name or ID, drug, date of authorization, and authorization status
The Contractor’s system must include functionality to support the Team Care and Pharmacy Home (Prescriber/Pharmacy Lock-In) programs including, but not limited to, the following:
a. Implement claims processing customized edits and transmission messages
b. Support Member lock-in for a specific drug, drug class, drug DEA schedule, and other parameters as defined by the Department
c. Support the capability to lock members into one or more specific providers (pharmacies and/or prescribers).
b. Support identification of potential Team Care eligible beneficiaries in the claims processing system using state defined criteria,
c. Provide detailed reporting information to the Department on program activities including, but not limited to, prescription utilization, cost per Member, and parameters of the lock-in
The Contractor must comply with State and federal policies and procedures for Member or provider appeals including, but not limited to, the following:
a. Notifying providers and beneficiaries of their appeals rights in accordance with the Department’s policy
b. Coordinating with State personnel who oversee the grievance and appeals process
c. Preparing the appropriate reports and documents to support the Contractor’s actions resulting in the request for an appeal from a Member or provider
d. Providing the services of a clinical pharmacist to engage in peer discussions with state Medical Director and other Department clinical personnel to address an appeal related to pharmacy benefit services
e. Providing resources to address appeals related to claims disputes
f. Complying with the mandates and timelines stipulated by the Department

The Contractor must continuously review and evaluate PA protocols and criteria, and the appropriateness of continued PA, suggestions for drugs appropriate for electronic or manual PA's. These reviews and evaluations must encompass drugs processed through the pharmacy benefit and physician-administered drugs processed through the medical benefit. The Contractor must analyze historical PA determinations and drug claims data and must provide quarterly recommendations and protocols for PA to the Department for review and approval.
The Contractor must provide detailed monthly operational, clinical, and financial reporting on all prior authorization activities, including but not limited to: number of PA's, denial/approval rates, number of electronic vs. manual PA's, drug and overall health care savings, and return on investment. Reports should be available by drug, drug class, Member, provider, and other defined parameters.
The Contractor must, develop and maintain approved protocols and criteria for coverage of products
a. Not listed on the PDL
b. Typically not covered
c. Exceeding the Department's SMAC rates
d. Not meeting other clinical or technical criteria
Drug Utilization Review and Management
The Contractor's RetroDUR management system must include data warehouse analytic/reporting tools, clinical rules, algorithms, and profiling including, but not limited to, identifying prescribing and utilization patterns which fall outside best practice guidelines.
The Contractor's RetroDUR management system must have functionality to merge medical service claims provided by the Department with pharmacy claims to identify and monitor drug usage including, but not limited to:
a. Overutilization
b. Underutilization
c. Therapeutic duplication
d. Drug-disease contraindications
e. Drug-drug interactions
f. Incorrect drug, dosage, or duration of therapy
h. Drug-induced illness
i. Member clinical abuse and drug misuse
j. Therapeutic appropriateness
k. Other criteria identified by the Department or its DUR Board
The Contractor must conduct regular ProDUR and RetroDUR program activities that meet all state and federal requirements. Contractor must conduct regular program review, facilitate quarterly evaluations of criteria and interventions, recommend draft standards and criteria, and implement approved changes. RetroDUR activities must encompass drugs processed through the pharmacy benefit and physician-administered drugs processed through the medical benefit. Actions include, but are not limited, to the following:
a. Conduct clinical and financial analyses and literature reviews related to its ProDUR and RetroDUR activities and report findings to the Department and DUR Board regularly

b. Assess the effectiveness of ProDUR and RetroDUR practices and provide clinical and financial summary reports at least quarterly
c. Implement DUR Board recommended changes after Department approval
d. Generate educational materials for prescribers, pharmacies, and beneficiaries to support Department-approved interventions
The Contractor must monitor and report on the outcomes of its DUR educational efforts quarterly or as otherwise specified by the Department.
The Contractor's RetroDUR management system must have clinical pharmacist oversight.
The Contractor must draft and finalize, with support from the Department, the CMS annual DUR report as described in Section 1927(g)(3)(D) of the Social Security Act and the required cost savings analysis including, but not limited to, the following:
a. Provide the draft CMS-required DUR Annual Report to the Department at least 30 days prior to the due date
b. Incorporate any changes recommended by the Department into the CMS annual report
c. Perform additional research requested by the Department
d. Upload per CMS protocol the final CMS-required DUR Annual Report to the Department at least 10 days prior to the due date for Department approval and submission.
The Contractor must facilitate the DUR Board meetings and prepare Department-approved meeting materials including, but not limited to, the following:
a. Prepare, distribute, and post meeting agendas and materials to DUR Board members at least 14 days prior to the DUR Board meeting
b. Present in person, all items on the agenda related to DUR activities, PDL recommendations, and drug related information at the DUR Board meetings.
c. Record meeting minutes including all PDL changes and action items, and forward them to the Department within 3 days after the meeting for Department approval
d. Post meeting minutes on the website 5 days after the DUR Board meeting.
e. Assure that all DUR Board actions are implemented on a timely basis
The Contractor's designated (Key Personnel) Clinical Pharmacist must manage and direct the Department's DUR program and PDL activities and act as the Contractor's representative at the DUR Board meetings. During planned or unplanned absences, Contractor must provide replacement personnel to fill this role.
The Contractor's designated (Key Personnel) Clinical Pharmacist must proactively research, analyze, present findings, and advise the Department and/or the DUR Board on topics requested by the Department including, but not limited to:
a. PA requirements and clinical criteria
b. Prescription spending trends focusing on the Department's programs and on national trends
c. Cost containment strategies
d. RetroDUR
e. Educational materials for DUR
f. POS claims processing

g. Reimbursement strategies for product costs, dispensing fees, and Member cost sharing
h. ProDUR
i. Reconsiderations and appeals
Resources “a” through “e” must consider drugs processed through the pharmacy and physician-administered drugs processed through the medical benefit.
The Contractor must facilitate the DUR Board’s use of clinical subject matter experts in reviewing various classes of drugs or individual drugs, if such expertise is needed.
The Contractor must maintain the drug coverage lists specific to the Department’s programs as defined by the State. These include the Department’s Preferred Drug List, clinical criteria document, covered OTC’s, and other coverage lists.
State Maximum Allowable Cost Program
The Contractor must administer the Department’s MAC program, by setting rates on prescription and over-the-counter multiple-source generic and brand products. The Contractor’s methodology for calculating the MAC must be available and transparent to the Department.
The Contractor must set MAC rates on all multiple-source drugs rated as therapeutic equivalents (A-rated) according to the FDA Approved Drug Products with Therapeutic Equivalence Evaluations, unless otherwise directed by the Department.
The Contractor must comply with the requirements explained at www.cms.hhs.gov/reimbursement for Federal Upper Limits and Medicaid Prescription Drugs under DRA (the Deficit Reduction Act of 2005). Updates to the FUL shall be made on a timely basis.
The Contractor must monitor the Department’s MAC rates to assure products are available at the MAC rates and are appropriate estimates of providers’ actual acquisition costs.
The Contractor must publish weekly additions, deletions, and revisions to the MAC rates on the Contractor and/ or provider portals. The MAC list shall be posted in a searchable and downloadable format
The Contractor must notify the Department at least ten business days prior to placing a MAC rate on a product, when a MAC has never been previously placed on that product.
The Contractor must ensure the Department’s MAC rates, when compared with Federal Upper Limit (FUL) rates published by CMS, in aggregate, do not exceed FUL rates for CMS-specified products. This includes, but not limited to, taking the following actions:
a. Monthly compare the Department’s Medicaid expenditures and utilization on CMS-specified FUL products to what would have been paid if the FUL rates were used
b. Prepare a monthly summary report of findings for the Department
c. Prepare an action plan within ten business days of becoming aware that the Department’s Medicaid expenditures exceeded, in aggregate, projected expenditures if the FUL rates had been used
The Contractor must provide regular reports on the operational status of the MAC program in addition to cost savings reports at least quarterly.
Reporting and Analytics
The Contractor must provide management reports to the Department, on a schedule to be determined in negotiation with the State, to support PBM analytics. Examples of all current reports are included in the Procurement Library. The reports must include, but are not limited to:

a. Utilization Reports
b. Financial Reports
c. Auditing Reports
d. Preferred Drug List Reports
e. Claims Processing Reports
f. Coordination of Benefits (COB) Reports
g. Net Cost Reporting
The Contractor's reporting system shall provide data dashboard capabilities to facilitate real time graphical display of key outcome and performance metrics with drill-down capability aligned with user's role and permissions
The Contractor's reporting system shall have the capability to generate and display population, program and client based dashboard reports.
Population and program based dashboard reports may include but not be limited to:
1. Characteristics of a population (e.g., Number and percentage of program participants by program type, Population distribution by eligibility or drug criteria, Participants enrolled in multiple programs / services, etc.)
2. Program information (e.g., PA's received and status / disposition, referrals received, appeals with status, etc.)
3. Solution performance and quality assurance reports (e.g., Solution performance according to agreed upon SLAs, Fraud, waste and abuse detection indicators)
The Contractor's reporting system shall allow the user to drill down in order to view more detailed information about a specific metric, where available
The Contractor's reporting system shall provide the capability to present data in graphical and/or GIS map format
The Contractor's reporting system shall provide the capability for reports to be automatically generated and distributed on a periodic basis
The Contractor's reporting system shall allow the user to configure report preferences
The Contractor's reporting system shall allow users to subscribe to reports so that they shall be sent to them electronically upon periodic creation
The Contractor's reporting system shall allow the user to export information presented and underlying information with a granularity consistent with the user's access rights (jpg, pdf, xls, csv, etc.)
The Contractor's reporting system shall provide report formatted for printing on standard paper sizes
The Contractor's reporting system shall create an auditable list of all users that access reports and which reports they access
The Contractor's reporting system shall provide the ability to suppress data sets with a sample size of zero or a sample size that does not meet the threshold for de-identified/anonymous data
The Contractor's reporting system shall notify users of the estimated time required to run a report if it exceeds a predefined time limit
The Contractor's reporting system shall allow queuing of reports
The Contractor's reporting system shall include version control for all reports
The Contractor's reporting system shall provide a mechanism to archive and remove reports in order to prevent a proliferation of reports

The Contractor's reporting system shall have the capability to generate and display standard ("canned") reports as defined by the Department that users can view and export, but not customize
The Contractor's reporting system shall allow users specify "favorite" reports and shall automatically identify frequently used reports
The Contractor's reporting system shall display a list of standard reports available to the user. The list shall include, but is not limited to:
i. Report title
ii. Last update date
iii. Last run date
iv. Planned run frequency
The Contractor's reporting system shall allow generation of reports with an 'as-of' date that may not be the same as the current date
The Contractor's reporting system shall display a list of parameter-based reports available to the user. Parameter based standard reports may include:
i. Existing reports that are currently generated and published
ii. Demographics, utilization, and other population based reports.
iii. Member centric reports
The Contractor's reporting system shall allow users to specify one or multiple parameters for the report. Parameters may include, but are not limited to:
i. Reporting period (last month, last quarter, customized date range, etc.)
ii. Population characteristics (age range, gender, program participation)
iii. Geography (zip code, region, county, census)
iv. Member or Provider -based analyses
v. Threshold-based and exception reporting vi. Percent change reporting
vii. Changes over time
The Contractor's reporting system shall allow for the user to sort and filter report data
The Contractor's reporting system shall provide the ability to upload a data set (e.g., list of Member names or UID's) for use as a parameter
The Contractor's reporting system shall provide the option of saving the report parameters in order to re-run it another time
The Contractor's reporting system shall provide the ability to perform calculations (e.g., unique count, average, etc.)
The Contractor's reporting system shall provide the ability to compare the data from one reporting period to another
The Contractor's reporting system shall provide the ability to identify statistical outliers
The Contractor's reporting system shall provide the ability to build and save reports and report templates. These reports shall have filtering capabilities and must be easy to build and modify by the user

The Contractor's reporting system shall allow the user to view and select available data sources for use in a query. Data sources may include, but are not limited to:
a. Any data accessible within the Contractor solution
b. Any data accessible through integration with other data systems
c. Data from other external sources that may be imported for use in the query
The Contractor's reporting system shall provide a standards-based interface/integration capability which can be triggered by a user to request that data be obtained from The Contractor's reporting system and imported to other authorized systems (e.g. MMIS solution, integrated eligibility solution, program integrity solution)
The Contractor's reporting system shall allow the user to share the queries with other users
The Contractor's reporting system shall make timely, accurate, and complete decision support information available to authorized users through the application and standardized tools
The Contractor's reporting system shall provide for appropriate class of reporting and business intelligence tools for different type of users (e.g. executive, analyst, operations staff)
The Contractor's reporting system shall provide the ability to provide access via multiple formats (Portable Document Format (PDF), Microsoft Excel, Microsoft Access, HTML)
Quality Assurance
The Contractor must develop and implement quality assurance processes and adopt best practices learned from other customer deployments, consistent with industry standards, principles, and processes including, but not limited to:
a. Recurring process reengineering evaluation to ensure processes are aligned with best practices and opportunities for process improvement are realized.
b. Continuous performance measurement and improvement through the use of technical reviews, internal audits, and Contractor provider satisfaction surveys, or other assessment tools (e.g. reporting on operational metrics).
c. Ongoing Contractor staff training.
d. Implement Quality Improvement Processes for recurring processes.
The Contractor must conduct client Satisfaction Surveys at least biannually, or as specified by the Department. The Contractor's surveys must include, but are not limited to:
a. Performance inquiries consistent with the duties and responsibilities of the Contractor and any SubContractor.
b. Performance expectations and measurement criteria for managing the ongoing long-term business relationship with the Contractor and for monitoring performance.
c. Inquiries on technology, quality, responsiveness, delivery, cost and continuous improvement.
The Department, in its sole discretion, may modify these requirements.

The Contractor must immediately notify the Department of any system, program, or operational deficiencies or defects identified. The Department shall establish the severity level and approve timelines for fixes or resolutions.
The Contractor must provide corrective action plans to the Department within 3 business days of the discovery of severe defects found through internal quality control reviews and identify options for corrective actions. The Contractor must initiate corrective actions plans, at no additional cost to the Department, only after the written approval of the Department.
The Contractor must provide audit trails to document, identify, and track chronological records and transactions throughout the Contractor's systems including, but not limited to, additions, deletions, and changes to:
a. Master file data related to beneficiaries, providers, drugs, pricing, and other reference data
b. Prior Authorizations
c. Member Lock-Ins
d. All edits encountered, resolved, or overridden
e. POS transactions, including data submitted by providers and responses sent to the provider
The Contractor must sample and reconcile its claims processing system and files to ensure accurate and timely payments including, but not limited to, the following:
a. Conduct a random sample of a minimum of 500 claims each quarter
b. Stratify the sampling technique by variables, such as the Department's programs, reimbursement methodology, product type (e.g., sole-source, multiple-source, generics, etc.), or as specified by the Department for each reporting quarter
c. Report quarterly review findings to the Department
d. Provide an action plan to address processing errors
The Contractor must implement a continuous process improvement program to reduce administrative burden on the Department, providers, and beneficiaries. This process must be regularly assesses and continue throughout the duration of the contract.
The Contractor must maintain a log of operational, clinical, programmatic, and claims processing issues which shall be reviewed in weekly team meetings with Department staff. Each issue shall be analyzed and a resolution determined on a timeline approved by the Department. Issues not resolved on a timely basis shall be subject to penalty.

Drug Rebate Management
The Contractor must manage the Department's manufacturer drug rebates for the following programs:
a. Federal OBRA'90 rebate program
b. State supplemental rebate program
c. State-only rebate program
The requirements in this section apply to all of the Department's rebate programs
The Contractor must comply with the provisions explained at www.cms.hhs.gov/MedicaidDrugRebateProgram and Section 1927 of the Social Security Act.

The Contractor must maintain an electronic policies and procedures manual documenting all aspects of the Contractor's administration of the Department's manufacturer drug rebate programs.
The Contractor must not engage in any contracts or agreements during the Contract, and any renewal thereof, to receive direct compensation from pharmaceutical manufacturers (e.g., fees associated with data, rebates, rebate management, compliance, or clinical programs) which pertain to prescription claims data collected from the Department's programs.
The Contractor must conduct a review of rebate contracting and program performance at least quarterly with representatives from the Department.
The Contractor must integrate the following Department claims data to calculate manufacturer rebates owed to the Department including:
a. NDC claims data paid by the Contractor
b. Practitioner and outpatient hospital claims data for physician-administered drugs paid by the Department and forwarded to the Contractor.
The Contractor must calculate the total rebate amounts due from each manufacturer based on:
a. The number of units paid per an NDC
b. Unit rebate amounts applicable for the Department's programs, which are (1) distributed by CMS for the Federal Medicaid rebate program; (2) Supplemental unit rebate amounts as negotiated by the multi-state rebate pool; and (3) rebates required for participation in State-funded plans
The Contractor must invoice manufacturer rebates quarterly (or by other time periods specified by the Department or CMS) including, but not limited to, the following requirements:
a. Invoice 100% of participating manufacturers for Federal, State supplemental, and State-only rebates no later than 60 days after the end of the quarter, or in compliance with the timelines of the Federal government and the Department for generating manufacturer drug rebate invoices
b. Submit the manufacturer rebate invoice summary for the Department's approval at least three business days prior to invoicing participating manufacturers.
The Contractor's rebate invoicing format and reported data elements must comply with CMS standards and with CMS policies and procedures for original invoices, for any needed prior period adjustments for previously invoiced quarters, and for interest on outstanding balances owed by a manufacturer.
The Contractor must provide manufacturers with electronic invoices and claims level detail in a format agreed upon with the Department.
The Contractor must utilize pre-invoicing quality control edits to proactively reduce manufacturer disputes of invoiced rebate amounts (e.g., quarter-to-quarter percent change in rebate amount invoiced by NDC, rebate amount exceeds reimbursed amount, quantity exceeds expected amounts, etc.). The Contractor must obtain Department approval on all pre-invoicing edits and must provide an audit trail of all pre-invoicing adjustments along with justification recorded into the Contractor's rebate management system. The Contractor must provide the Department a quarterly report of each adjustment and related justification by NDC.
The Contractor must provide a pre-invoicing capability to convert unit types, when mismatches occur between the pharmacy claim unit types paid and the CMS unit rebate types.
The Contractor must track and process prior period adjustments including, but not limited to, the following:
a. Maintain all quarters of manufacturer drug rebate invoices and other information to accommodate prior period adjustment processing including a minimum of 12 quarters (available online)
b. Identify and process, at NDC level, any corrections to rebate information received from CMS or from a manufacturer
c. Provide capabilities to manually enter and report corrections at the NDC level on manufacturer drug rebate invoices.

The Contractor must process prior period adjustments, calculate interest-due amounts, and work to resolve outstanding rebate disputes including those originating prior to the Contract.
The Contractor must provide a rebate dispute resolution process that complies with CMS Best Practices for Dispute Resolution and must meet all State and Federal requirements for pursuing recoveries in a timely manner.
The Contractor must provide a method to extract claims and other documentation for NDCs that are in dispute.
The Contractor must compare invoices to the Reconciliation of State Invoice (ROSI) returned by a manufacturer to determine which NDC and rebate amounts are in dispute.
The Contractor shall provide documentation, upon Department request, of its repeated efforts to resolve aged disputes.
The Contractor must correct invoice records at the quarter and NDC level to support the dispute resolution process and log the updated amounts into its rebate management system.
The Contractor must maintain an automated drug rebate dispute tracking system. This system must track by labeler and NDC: the manufacturer name, manufacturer code, invoiced amount, invoiced quantity, manufacturer's paid quantity for the NDC, unpaid quantity (positive or negative), rebate amount per unit, unpaid rebate amount, dispute reason, interest owed, and quarter.
The Contractor must automatically recalculate the utilization for each disputed NDC for all manufacturers after all adjustments have been recorded and log the updated amounts into its online rebate management system.
The Contractor must, at least annually or as directed by the Department, attend and actively participate in CMS-sponsored dispute resolution meetings on behalf of, or in addition to, the Department's staff. Costs associated with Contractor staff attending such meetings shall be the Contractor's responsibility.
The Contractor must reconcile payments received from manufacturers with the amount invoiced by program, category code, quarter, and National Drug Code (NDC).
The Contractor must maintain the original and corrected invoice information at the NDC level.
The Contractor must identify discrepancies between the rebate amount due and total amount paid to pharmacy (e.g., rebate amount exceeds amount paid). The Contractor must determine reasons for any discrepancy (e.g., pharmacy billing errors, CMS imposed manufacturer penalty) and resolve the discrepancy. The Contractor must log such resolutions in its online rebate management system.
The Contractor must calculate and invoice interest on unpaid quarterly manufacturer rebate amounts in accordance with Federal notifications. The Contractor must report interest invoicing separately from rebates.
The Contractor's manufacturer drug rebate management system must house and maintain data by program, category codes, quarter, NDC, and claim including, but not limited to:
a. Listings of manufacturers participating in the Federal manufacturer drug rebate program
b. Federal unit rebate amounts for the Department's Medicaid program
c. Supplemental rebate amounts
d. State-only rebate amounts

e. Rebate invoiced claims data including physician and outpatient hospital administered drugs paid by the Department and pharmacy prescriptions paid by the Contractor's POS claims processing system
f. Rebates received
g. Pre-invoicing adjustments to unit rebate amounts and utilization
h. Recalculated invoice amounts based on data submitted from manufacturers
i. Manufacturer invoices
j. Prior period adjustments
k. Manufacturer disputes
l. Dispute resolutions and utilization adjustments supporting dispute resolution
The Contractor's manufacturer drug rebate management system must have functionality to maintain complete records of all rebate data and transactions.
The Contractor's manufacturer drug rebate management system must provide online access for Department-designated staff.
The Contractor's manufacturer drug rebate management system must retain rebate records conforming to Federal regulations and notifications or as otherwise specified by the Department.
The Contractor's manufacturer drug rebate management system must have functionality to age the accounts.
The Contractor's manufacturer drug rebate management system must have functionality to apply adjustments for any given time period.
The Contractor's manufacturer drug rebate management system must have functionality to allow multiple select keys and sort preferences including, but not limited to
a. by manufacturer
b. by year/quarter
c. by type of rebate
d. by program or category code
e. claim level
The Contractor must provide automated audit trails to document, identify, and track chronological records and transactions throughout the Contractor's systems including, but not limited to, additions, deletions, and changes to:
a. Original rebate invoices
b. Rebate interest billing
c. Pre-invoicing adjustments
d. Rebate write-offs
e. Prior period adjustments
f. Rebate accounts receivable and balances

g. Dispute resolution
The Contractor must import into its manufacturer drug rebate management system all historical quarterly rebate data available from the Department's current rebate Contractors.
The Contractor must assume all administrative and management tasks associated with rebates for historical quarters as well as future quarters occurring during the Contract.
The Contractor must generate and transmit to CMS a file of all manufacturer rebate invoices quarterly as required by CMS. This shall include, but not be limited to, original invoices, interest amounts, prior period adjustments, and adjustments resulting from resolved disputes.
The Contractor must provide quarterly drug rebate information in a form compatible for the Department's submission of the Quarterly Expense Report of the Medicaid Budget and Expenditure System (CMS-64) reporting requirements on or before 15 days following the close of a quarter's end.
The Contractor must deliver operational rebate reports to the Department within two business days after the reporting period or as otherwise specified by the Department. The Contractor must provide reports online for the Department-designated staff in downloadable versions of Microsoft® Excel or other Department-specified format.
The Contractor's online manufacturer drug rebate management system and operational rebate reporting functionality must separately report manufacturer rebate payments by:
a. Quarter
b. Program (Aid Category Code)
c. Rebate type (e.g., Federal, State, Supplemental)
d. Drugs crossed-walk from Healthcare Common Procedure System (HCPCS) codes to NDCs by the Contractor (i.e., practitioner and outpatient hospital claims for physician-administered drugs)
e. Prescription claim level
f. Funding Source
The Contractor must provide pre-invoicing quality control, operational reports to the Department prior to invoicing manufacturers quarterly. Reports shall include, but are not limited to, NDCs for which:
a. Rebate amounts exceed total reimbursement plus payment from other insurers
b. Rebate amounts exceed quarter-over-quarter variability thresholds (e.g., +/- 15%)
c. Pre-invoicing adjustment amounts have been made by the Contractor
d. Zero rebate amounts are listed on the CMS file
e. Reimbursement has been made by the Contractor but the NDC is not found on CMS rebate file
The Contractor must reconcile drug rebate data with the Department's fiscal records monthly, quarterly, and annually. Such efforts must include detailed reports that identify adjustments, unit amount rebate changes, write-offs, and other accounting transactions that impact the Department rebate reporting.
The Contractor must provide operational rebate reports, in a format and schedule agreed upon and approved by the Department, which track:
a. Rebate recoveries
b. Current reporting period disputes by manufacturers with aged disputes for previous quarters

c. Adjustments and recoveries resulting from dispute resolution activities
d. Pre-invoicing adjustments, unit rebate amount changes, write-offs, and other accounting transactions
e. Current and past accounts receivable by manufacturer
f. Interest billed and collected
g. Feasibility determinations of rebate write-offs
h. Amount rebated compared to amount paid by quarter, manufacturer, and NDC
The Sovereign States Drug Consortium (SSDC) is a Medicaid supplemental drug rebate program that allows participating states to pool their prescription utilization numbers to obtain supplemental rebates from pharmaceutical manufacturers. The Contractor must administer the Supplemental Rebate program on behalf of the State, including participating in all required activities with the SSDC and its designees, and identifying and implementing opportunities with the SSDC to maximize the supplemental rebate amounts returned to the State.
The Contractor must support the State in its engagement with the SSDC and its PBM Contractor as the SSDC negotiates supplemental rebates with manufacturers. This support includes, but is not limited to:
a. Provide utilization and rebate modeling analytic capabilities
b. Provide the necessary utilization, URA, and other data files on a timely basis as required by the SSDC
c. Make recommendations and submit all potential rebate arrangements to the Department for approval prior to acceptance
d. Perform modeling that incorporates rebate data and determined net cost to the Department associated with individual PDL decisions for a drug
e. Participate along with State staff and/or represent the Department in all SSDC meetings, conference calls, and other venues during which rebate business is conducted
The Contractor must work with the SSDC and its PBM Contractor to support the State in administration of the supplemental rebate program. This support includes, but is not limited to
1) Calculate, prepare and issue manufacturer invoices
2) Work with manufacturers to obtain fully executed supplemental rebate agreements (SRA)
3) Work with the Department on any needed revisions to the SRA annually
4) Track, reconcile, resolve all collections, disputes, adjustments
5) Provide all required reporting and analysis
6) Perform other administrative duties as defined by the State
The Contractor shall maintain those data systems used to calculate the Supplemental Rebates. In the event material discrepancies are discovered, the Contractor shall promptly make an appropriate adjustment, which may include a credit as to the amount of the Supplemental Rebates or a refund to Manufacturer.
The Contractor shall maintain electronic claims records for the most recent four quarters that shall permit the Manufacturer to verify through an audit process the supplemental rebate summaries.
Payment Adjustments and Audits

The Contractor must, as requested by the Department, process post-payment claim reversals for pharmacy claims, such as TPL adjustments and other adjustments.
The Contractor must, as requested by the Department, process financial gross adjustments to pharmacy payments, such as corrective actions identified from post-payment audit findings and other adjustments.
The Contractor and any SubContractors must cooperate with financial audits by Department staff, other State departments, the United States Department of Health and Human Services, State or Federal designees, or others authorized to perform audits relating to the work and deliverables rendered by the Contractor and any SubContractors. Contractor and SubContractor audit support must include, but is not limited to:
a. Enable read and copy access to files, documentation, and personnel including inventory control files, Member eligibility files, preferred drug list , diagnosis files, provider master files, all pricing files, adjudicated claims file, all software and operating manuals, all documentation along with rules, regulations, memos, internal reports, training manuals, and detail design documentation
b. Enable access to computer resources including, but not limited to, all application programs and libraries, all system programs and libraries, the operating system along with job accounting and software
c. Notify audit staff within 24 hours of any changes made to computer programs and edit logic between processing runs related to audit activities
d. Provide the ability to retrieve and print claims
e. Provide the personnel and resources necessary for automated or manual sampling of claims and reference file data including the retrieval of historical data.

General System Requirements
The System shall be in compliance with the Health Insurance Portability and Accountability Act (HIPAA) privacy and Member consent for release requirements, where applicable
The System shall accommodate diverse populations of users including those with visual and hearing impairments, persons with low and moderate educational levels, and the elderly (Section 508 compliant) http://www.section508.gov/ and all similar State of Vermont policies
The System shall accommodate diverse populations of users including those with disabilities and limited English proficiency as defined in section 504 of the Rehabilitation Act of 1973
The System shall be designed and developed to support a production environment and reporting system available 24 hours a day, during every day of the year, including all holidays
The System shall uniquely identify each Member using both SS# and Unique ID number assigned by SoV Enrollment System
The System shall uniquely identify each provider using both NPI and a system generated Unique ID
The System shall have the capability to interact with other systems as needed to collect and report services and benefits provided to a Member
The System shall provide a mechanism to limit access to view/update information, based on user role, access rights and program rules
The System shall have the capability to save and print all forms, reports, documents, screens, based on user role and program rule
The System shall automatically save information as users enter it.
The System shall validate that all mandatory data fields have been completed when a user attempts to submit information
The System shall inform the user of errors based on the validations performed
The System shall allow the user to review and update information if there are correctable errors

The System shall contain a "help" function on each screen as needed to provide users with instructions on how to perform functions, descriptions of data elements and/or other information
The System may provide access to "rules/regulations documentation" via the System for look up and reference in the relevant context of the screen/process.
The System shall send alerts/notifications to users who (1) have subscribed to these types of notifications, (2) have consent to view the Member 's data (3) have the correct access rights and (4) have a valid reason for viewing this data
The System shall send notifications based on the preferences a Member or user has indicated in their profile unless a specific delivery method is specified by policy (e.g., certain notifications must be sent via US postal mail, ADA compliant communication). Where possible, electronic delivery methods (email, SMS) shall be selected.
The System shall have role based access control at the data field level
The System shall have rules based access control and display information
The System shall have a user interface written in English (including warnings, notifications and user prompts) free of grammatical errors and typos
The System shall contain written language targeted to the average adult reading level (e.g., 6th grade level) Note: This applies to all languages
The System may provide the capability to check an individual's language indicator to include language specific text on notices, correspondence and other materials.
The System shall maintain a record (e.g. audit trail) of all changes made to data in the System - system initiated changes or user initiated changes. This should be readily searchable by user ID, system ID or Member ID. This must include but is not limited to:
i. The user ID of the person who made the change or system ID if the change was system generated
ii. The date and time of the change
iii. The information that was changed
iv. The data before and after it was changed
v. The data source if the change was system generated
The System shall record the date, time, and name of users viewing Member information
The System shall use industry standard taxonomy (ies) if relevant
The System shall provide web pages with general information about Pharmacy Benefit programs to the general public without requiring a login
The System shall authenticate users before allowing access to functionality requiring a login
Provide Optical Character Recognition to convert appropriate paper documentation received through PBMS Operations into indexed, content searchable electronic format (e.g., claims and attachments, correspondence, provider information).
The State shall have the final authority to hire/fire any contract staff working in state facilities
Interoperability-Integration Requirements
The System's interfaces shall secure and protect the data and the associated infrastructure from a confidentiality, integrity and availability perspective.
The System shall be able to support Application to Application (A2A) synchronous and asynchronous messaging using web services. The messaging capabilities shall be able to support a wide variety of A2A patterns including, but not limited to, the following:
- Data look-up and retrieval
- Data look-up with services provided by other applications
- Simple bulk data transfer to/from other Systems.

The System's interface infrastructure shall continue to operate despite failure or unavailability of individual technology components such as a server platform or network connection.
The System's interfaces must be scalable to accommodate changes in scale including changes in user population, transaction volume, throughput and geographical distribution. The System shall be capable of making any changes to the interface data elements/layouts easily, and to test those changes.
The System shall implement, at a minimum, interfaces (both real-time or batch) with the State and other contracted systems requiring integration and data sources such as but not limited to ACCESS / Integrated Eligibility, VISION and the Existing and replacement MMIS. These interfaces shall be implemented using point-to-point methods and secure file transfer for the legacy systems and Vermont's Health Services Enterprise integration middleware, Oracle SOA Suite and Service Bus for the replacement systems.
The System shall implement, at a minimum, interfaces (both real-time or batch) with the applications and data sources that are currently being procured and or being implemented by the State, they are systems requiring integration as outlined in these requirements and contract such as what is referred to as the HSE Platform, which includes but is not limited to: Identity Management, Consent Management, Portal, Enterprise Information Exchange, Master Data Management, Rules Engine, Eligibility Automation Foundation, Content Management, Analytics and Business Intelligence Tools and Repositories, Collaboration Capabilities. These interfaces shall be implemented using Vermont's Health Services Enterprise integration middleware, Oracle SOA Suite and Service Bus.
The System shall provide the capability to perform source to destination file integrity checks for exchange of data and alert appropriate parties with issues
Systems components shall be committed to an advanced approach to interoperability using web services and Service Oriented Architecture (SOA) aligned with State standards and vision for interoperability.
Systems shall integrate with VT HSE using a Service Oriented Architecture by using an Enterprise Service Bus, responsible to monitor and control routing of message exchange between services, resolve contention between communicating service components, control deployment and versioning of services and marshal use of redundant services.
Systems shall support creation and extension of service interfaces through the use of Web Services Description Language (WSDL)
Systems shall develop/integrate services using standardized Web Services formats.
Systems shall provide the ability to publish services and related data to be used by different types and classes of service consumers.
Systems shall provide the capabilities for a Real-Time (or near real-time) Integrated Enterprise where common data elements about the customers served and services rendered are easily shared across organizational units with appropriate adherence to security and privacy restrictions.
Systems shall have the capability to implement synchronous and asynchronous program-to-program communication, moving messages between SOA service consumer modules and service provider modules at runtime. The ESB component may also move files, database rows and other data.
Message and data formats should be based on logical representations of business objects rather than native application data structures
Data transformations shall be to and from normalized formats.
Normalized data formats facilitate composition and reduce the number of transformations that must be created and maintained. A canonical data representation that spans the enterprise can be used but is not required. A federated approach to data normalization is also possible
Point-to-point integrations are to be avoided. Application integration, both internal and external, shall go through the central ESB.
All System services shall be classified with one of the following values: Presentation, Process, Business, Data, Access, or Utility
All services shall be reviewed, classified, and cataloged prior to use. The Documentation Artifacts shall be modeled per ISO/IEC/IEEE 42010 Architecture Descriptions part of the Vermont Enterprise Architecture Program Requirements, or other comparable industry standards reasonably acceptable to the State. Duplicate services shall be rationalized and retired appropriately.

All services shall have key stakeholder/owners identified following the ADM Architecture Model. Role Matrix should include s/w developers, integrationists, technologists, Enterprise Architects, Business Leads, Testing teams, UAT Teams.
All WSDLs developed for Vermont shall conform to the WSDL Development Standards
All SOA-related messages shall be formally defined with XSD (preferable) or DTDs. A SOA Architecture Repository is required.
SOA-related services hosted should be implemented in Java.
Implemented services shall rely on WS-Policy configurations for message reliability (WS-Reliable Messaging)
The following metadata attributes shall be tracked for all services in the services catalog: {name, lifecycle status, class, description, owner, version, revision history, release frequency, versioning policy, deprecation policy, message exchange patterns, compensating transaction support, availability requirements, volume, max message size, security attributes, sla, logging requirements}
SOA services shall be attributed with one of the following SOA Lifecycle Status values: Candidate, Justified, Defined, Designed, Implemented, Operational, or Retired. A SOA Architecture Repository shall be required and opened to Vermont EA Program.
The System shall be designed, built and deployed with enterprise architecture best practices including substantial reliance on highly configurable SOA components. The System shall undergo, at a minimum, 2 iterations integrated with HSEP development environment. Each iteration shall have a maximum period of 10 days. The Systems shall have an alpha deployment on HSEP staging Environment and also shall have, at a minimum, three weeks of UAT Testing by Business SMEs on the HSEP Staging Environment
Systems shall provide reliable, once-only delivery of messages (guarantee of reliable and non-repetitive delivery).
Systems shall have the capability to integrate with the VT ESB technology to perform syntactic and semantic hub-based transformation of messages, including: ' Support of taxonomy ' Support of ontology ' Reusable transformation maps ' Built-in transformation functions ' Extending the transformation function with custom-coded logic ' Support B2B project translation including Electronic Data Interchange (EDI), RosettaNet, HL7, etc.
Systems shall provide the functionality that provides reliability for applications, services or message flows: ' Load balancing ' High availability ' Fault tolerance ' Failover ' In-order delivery ' Transaction support ' Execution prioritization ' Message prioritization. Tests for High Availability and Failover must be completed prior to the release to UAT.
Systems shall provide the technology that manages the metadata and provides the features needed to support the reliable operation of services. Examples include: ' Online catalog of services and associated artifacts such as WSDL files, XSDs, BPEL files ' A single point of controlled access for cataloging, promoting, publishing and searching for information about managed assets ' Metadata that enables an Enterprise Service Bus (ESB) to find, bind to and invoke the execution of a service implementation ' Support for extending existing asset types and defining and populating custom asset types
Systems shall provide support for integrating with applications with SOA and event-driven architectures in a manner that supports the following implementation strategies: ' Web Services: Web Services Interoperability (WS-I) Organization-compliant implementation of basic Web services standards, including SOAP, WSDL and Universal Description, Discovery and Integration (UDDI), as well as higher-level Web services standards, such as WS-Security. ' Representational State Transfer (REST): Support for XML-based messages, processing and HTTP, and XHTML.
Systems shall have the ability to track a message from its origin to its destination (inside a firewall), inquire on the status of that message and address exceptions (for example, resend the message if a target times out). Usually implemented via a warehouse for archiving messages together with the associated tracking and logging data.
The Systems shall have the ability to use standards-based communication protocols, such as TCP/IP, HTTP, HTTP/S and SMTP. ' Protocol bridging: The ability to convert between the protocol native to the messaging platform and other protocols, such as Remote Method Invocation (RMI), IIOP and .NET remoting.

The System shall seamlessly work with the technology and programs that act as glue, transforming among protocols, connecting to databases and linking pre-SOA Application Programming Interfaces (APIs) to the SOA backplane.
The System shall have the capability to work with a Service Registry that serves as an integration point for runtime tooling
The System shall have the capability to work with security policy manager for Web services that allows for centrally defined security policies that govern Web services operations (such as access policy, logging policy, and load balancing).

Regulatory and Security Requirements
The System shall provide a mechanism to comply with security requirements and safeguard requirements of the following Federal agencies / entities, to the extent the following are applicable to the services provided by Contractor under this Agreement:
- Health & Human Services (HHS) Center for Medicare & Medicaid Services (CMS)
- Administration for Children & Families (ACF)
- NIST 800-53
- Federal Information Security Management Act (FISMA) of 2002
- Health Insurance Portability and Accountability Act (HIPAA) of 1996
- Health Information Technology for Economic and Clinical Health Act (HITECH) of 2009
- Privacy Act of 1974
- e-Government Act of 2002
- Patient Protection and Affordable Care Act of 2010, Section 1561 Recommendations
- Vermont Statute 9 V.S.A. § 2440. Social security number protection (http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=09&Chapter=062&Section=02440)
- Vermont Statute 9 V.S.A. § 2435. Notice of security breaches (http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=09&Chapter=062&Section=02435)
The System shall conform with the sub-parts of Section 508 of the Americans with Disabilities Act (ADA), and any other appropriate State or Federal disability legislation.
The System shall comply with all applicable State security policies and adhere to all applicable legal, statutory, and regulatory requirements, as determined by Vermont leadership.
The System shall implement security controls in accordance with all applicable Federal and State security policy and regulations.
The System shall comply with accessibility requirements described in 45 CFR 85 and with State of Vermont accessibility requirements located at http://cio.vermont.gov/policy_procedures .
The System shall comply with applicable Vermont branding standards as defined by the state.
The Contractor shall adhere to the principle of “Fail Safe” to ensure that a system in a failed state does not reveal any sensitive information or leave any access controls open for attacks
The System shall allow for controlled access to Member records. Users shall be able to view Member data within the System at the State-defined levels of access based on user security privileges.
The System shall maintain a level of security that is commensurate with the risk and magnitude of the harm that could result from the loss, misuse, disclosure, or modification of information.

The System shall provide the ability for concurrent users to simultaneously view the same record, documentation and/or template.
The System shall provide protection to maintain the integrity of data during concurrent access.
The System shall be configurable to prevent corruption or loss of data already accepted into the System in the event of a System failure (e.g. integrating with a UPS, etc.).
The System shall support protection of confidentiality of all Protected Health Information (PHI) delivered over the Internet or other known open networks via encryption using triple-DES (3DES) or the Advanced Encryption Standard (AES) and an open protocol such as Transport Layer Security (TLS), Secure Sockets Layer (SSL), Internet Protocol Security (IPsec), XML encryptions, or Secure/Multipurpose Internet Mail Extensions(S/MIME) or their successors. This System shall be subject to external Audit checks.
The System, when storing PHI on any device intended to be portable/removable (e.g. smart phones, portable computers, portable storage devices), shall support use of a standards based encrypted format using 3DES, AES or their successors.
The System, prior to access to any PHI, shall display a configurable warning or login banner (e.g. "The System should only be accessed by authorized users").
In the event that a System does not support pre-login capabilities, the System shall display the banner immediately following authorization.
The Contractor must have written policies and procedures addressing the use of any protected health data and information that falls under the Health Insurance Portability and Accountability Act (HIPAA) requirements. The policies and procedures must meet all applicable federal and State requirements including HIPAA requirements. These policies and procedures must include restricted access to the protected health data and information by the Contractor's employees.
The System shall have obtained Medicaid Management Information System (MMIS) certification by CMS, including compliance with all MITA 3.0 standards where applicable
The Contractor must notify the State of Vermont upon learning of any suspected or actual unauthorized use or disclosure of protected health data and information that falls under the HIPAA requirements, in accordance with the then current Business Associate Agreement in place between the State of Vermont and Contractor. Contractor must work with the State of Vermont to mitigate any breach and provide assurances to the State of Vermont on corrective actions to prevent future unauthorized uses or disclosures.
The Contractor must notify the State of Vermont upon learning of any breach of system or data security, in accordance with the then current Business Associate Agreement in place between the State of Vermont and Contractor. Subject to the approval of the State of Vermont, the Contractor must undertake such additional safeguards or changes as recommended by a subsequent independent security audit at the Contractor's expense.
In the delivery and provision of information technology hardware, software, systems, and services through the Contract, the Contractor must prevent unauthorized access to the "Identity Information" of any individual. "Identity Information" includes, but is not limited to, an individual's first name or initial and last name, in combination with any of the following:
a. Social Security Number;
b. Driver's license number;
c. System access identification number and associated passwords;
d. Account information such as account number(s), credit/debit/Medicaid card number(s), and/or passwords or security codes.

Identity and Access Management
The System shall support a form of user authentication.

The System upon detection of inactivity of an interactive session shall prevent further viewing and access to the System by that session by terminating the session, or by initiating a session lock that remains in effect until the user reestablishes access using appropriate identification and authentication procedures. The inactivity timeout shall be configurable.
The System shall enforce a limit of (configurable) consecutive invalid access attempts by a user. The System shall protect against further, possibly malicious, user authentication attempts using an appropriate mechanism (e.g. locks the account/node until released by an administrator, locks the account/node for a configurable time period, or delays the next login prompt according to a configurable delay algorithm).
The System shall provide the capability to prevent database administrators from seeing the data in databases they maintain.
The System shall support grouping users by functional departments or other organization to simplify security maintenance.
The System shall provide the ability to maintain a directory of all personnel who currently use or access the system/IVR/SQL database.
The System shall provide the ability to create and maintain a directory of external providers to facilitate communication and information exchange.
The System shall provide the ability to identify certain information as confidential (e.g. PII, PHI, etc.) and only make that accessible by appropriately authorized users.
The System shall restrict access to summarized information according to organizational policy, scope of practice, and jurisdictional law.
The System must be able to associate permissions with a user using one or more of the following access controls:
1) user-based (access rights assigned to each user)
2) Role-Based Access Controls (RBAC; users are grouped by role and access rights assigned to these groups)
3) context-based (role-based with additional access rights assigned or restricted based on the context of the transaction such as time-of-day, workstation-location, emergency-mode, etc.)
The System shall provide the ability to prevent specified user(s) or groups from accessing confidential information such as a Member's SSN, medication information and other confidential data
The System shall provide the ability to limit access to certain confidential information such as a Member's SSN and other confidential data to providers directly involved in service of the patient, or providers involved in review of the service.
When access to a user's account is restricted, the System shall provide a means for appropriately authorized users to "break the glass" and obtain access for emergency situations, as defined by Vermont policy.
When access to Member's confidential data is restricted but still the "break the glass" has occurred, the System shall provide the ability to notify specified users and provide an audit trail for this access.
The System shall enforce the most restrictive set of rights/privileges or accesses needed by users/groups or processes acting on behalf of users, for the performance of specified tasks.
The System shall provide the ability for authorized administrators to assign restrictions or privileges to users/groups.
The System shall support removal of a user's privileges without deleting the user from the System to ensure history of user's identity and actions.
The System shall be able to support RBAC in compliance with the HL7 Permissions Catalog.
The System shall be capable of operating within an RBAC infrastructure conforming to ANSI INCITS 359-2004, American National Standard for Information Technology – Role Based Access Control.
The System shall provide more-advanced session management abilities such as prevention of duplicate logins, remote logout and location-specific session timeouts.

The System shall provide the ability to perform System administration functions such as reference table maintenance and adding / removing users from the system.
The System shall allow users access based on their roles irrespective of their geographical location.
The System shall provide the capability to integrate with existing authentication and authorization mechanisms

User Interface Requirements
The System shall provide an unlimited free-form text note within the PBMS for various functions such as provider enrollment process, prior authorizations, and case management, accessible by authorized PBMS users that includes, for example:
<ul style="list-style-type: none"> Provides the ability to display the narrative sorted by user and business unit. Provides the ability to display free form narrative in chronological or reverse chronological sequence. Provides basic word processing functionality such as sentence case, spell check, auto text, bold, underline, italics, color font, bulleted lists, tabs, indents, wrap-text, tables, printable.
System shall provide a graphical user interface for authorized PBMS users to define plans, benefits, and pricing.
System shall provide the ability for authorized users and its designees to view, search, and query by Department defined fields as well as pull reports and documentation associated with these fields.
System shall provide the ability to view the results of filtered searches based on multiple or single criteria, the capability to search on multiple criteria at the same time, and the ability to perform secondary and tertiary searches within the primary search results.
System shall provide the ability to save and name multiple user-defined search and sort parameters so that users can repeat the same search/ sort queries at a later time.
System shall provide the ability to view the results of wild card searches (including both single character and string wildcard search) for all searchable fields, including searches with partial ID numbers.
Accept digital signatures from providers where applicable as defined in the functional requirements
Propose, develop, produce, publish and deliver all applicable PBMS User Guide/ Help updates.
Propose, develop, produce, and maintain frequently asked questions (FAQs) on PBMS screens and functionality.
The PBMS may provide the following:
1) Provide a forum for authorized PBMS users to post inquiries, and to respond to other posters and create topical “threads” on problems.
2) Allow Department staff and other designated users to access the forum and to participate and moderate the posts and threads, based upon user roles.
3) Provide a search capability to find posts and threads by date or relevance.
Ensure that all codes and abbreviations used in the PBMS have corresponding and easy-to-view narrative descriptions.
The System shall limit the amount of information displayed, while also enabling the user to immediately expand the scope of the information visible.
The System shall speak the users' language, with words, phrases and concepts familiar to the user, rather than system-oriented terms.
The users shall be able to easily navigate to a variety of functions available to them without having to move sequentially through excessive menus and screens.
The System shall follow standardized conventions. Users should not have to wonder whether different words, situations, or actions mean the same thing.

The System shall eliminate error-prone conditions or check for them and present users with a confirmation option before they commit to the action.
The System's User Interface shall be simple, consistent, and use familiar terminology.
The System's navigation shall be familiar and consistent, and all user actions shall be predictable and reversible.

Business Intelligence and Reporting Requirements
The Contractor shall provide a state approved reporting tool, all state specified pharmacy data elements, including but not limited to elements in the drug file, the claim file, recipient information, provider information, and the prior authorization file. The State shall work with State business lead and Contractor shall ensure reporting components confirm to Enterprise Platform
The Contractor shall maintain a training program for State staff and Contractors to ensure maximum use and understanding of the functionality of state approved reporting tool
The Contractor shall create reports based on the following, including but not limited to, a combination of pharmacy claim data elements; Member characteristics; provider characteristics; prior authorization characteristics; and drug reference file elements including drug pricing, drug rebate status elements, lock-in characteristics, pharmacy claim errors, and net cost. This is a small sampling to show the types of reports expected of the System. A comprehensive list of all reports shall be determined in collaboration with the State both during the contract negotiation phase as well as the System Implementation phase
The Contractor shall establish and maintain a methodology for the development and maintenance of the data analytic capabilities the PBMS provides and ensure that it is well documented.
The Contractor shall establish, maintain, implement and manage analytic capabilities to include but not be limited to data summarization, data comparison, data correlation, forecasting, trending, and statistical analysis
The Contractor shall establish and maintain a methodology for the development and maintenance of production and system reports. Contractor shall work with State agencies to determine what reports are needed such as system performance reports and user access reports by the applicable State department(s).
The Contractor shall establish and maintain a methodology for the development and maintenance of ad hoc reports
The Contractor shall establish, maintain, implement and manage a schedule for reporting that includes prioritization
The Contractor shall track and report the status of each data and reporting request
The Contractor shall produce, distribute and manage production reports in accordance with applicable Business area, State, and Federal specifications
Produce, distribute and manage ad hoc reports in accordance with Business area, State, and Federal specifications
The Contractor shall notify the report requester when report timeliness cannot be met. In addition, the Contractor shall provide a summary level report to the State, at a predetermined frequency, on quality and timeliness of all reports generated within that period.
The Contractor shall ensure that all existing Federal, State, and Business area measures and reports continue to meet applicable State Business area, State, and Federal standards
Maintain report distribution lists to ensure accurate report distribution at all times
The Contractor shall maintain detailed procedures documenting how reports are prepared and detailing the procedures used to validate the accuracy of the report information
The Contractor shall store historic reports in accordance with applicable State Business area, State, and Federal retention schedules
The Contractor shall provide data and information for federal and state reporting in accordance with applicable State business area, state, and federal specifications

The Contractor shall provide data to the State in support of the PBM's function of analyzing and reporting pharmacy program status to the State
The Contractor shall provide ad hoc reporting and data analysis as agreed to through negotiation with the State. Such reporting and analysis shall be in an agreed upon format and in accordance with a schedule agreed to by the Contractor and the State.
The Contractor shall provide the ability to regularly and accurately produce operational reports using PBMS data.
The Contractor shall ensure that the data in reports are current, accurate, and accessible and that the report is produced in a timely fashion to meet the report's delivery deadline.
The Contractor shall ensure that any reporting functionality supports the ability to pull and use the narrative descriptions of codes and abbreviations in addition to the codes and abbreviations themselves.
The Contractor shall develop the HIPAA attachment transaction for claims and Prior Authorization Requests in the PBMS (e.g., HL7/ 275).
The Contractor shall provide capacity to capture, store, update, report on system operational metrics from a decision support system that offers digital dashboards, online reporting and print capacity with ability to download to common media.
The Contractor shall provide routine, adhoc, and complex (consolidation, drill-down, slicing and dicing) analytical reporting
The Contractor shall provide drilldown capabilities and tabbed daily, weekly, monthly, quarterly, yearly, prior year, etc.
The Contractor shall provide an user friendly interface and ability to customize dashboards by user and because of changing needs.
The Contractor shall provide achievable reports (unalterable) with ability to retain original report template for future use.
The Contractor shall provide graphical presentation with gauges and other representations to highlight important events and alerts.

Knowledge Transfer and Training Requirements
The Contractor shall develop (in cooperation with the State) and execute a Knowledge Transfer and Training Plan that describes roles and responsibilities of the State and Contractor and the approach for bringing managers, end users, and technical personnel to an appropriate level of understanding with the System.
The Knowledge Transfer and Training Plan shall address and describe, at a minimum:
- Training goals/standards and the specific plan for training technical personnel and end users.
- Size of population and types of roles that need training
- Strategy for providing training early in the project to allow the training goals to be implemented throughout the project life Phase.
- Tasks, deliverables and resources necessary to complete the training effort and identify tools and documentation that shall be necessary to support proposed effort.
- Types of training, the specific courses and course materials, the training approach for both technical personnel and end users, and how training effectiveness shall be measured and addressed.
- Deliverables to support initial and ongoing training including user manuals, System manuals, and on-line help and training materials for technical/non-technical personnel.
- Knowledge Transfer to enable the State personnel to operate, maintain, configure and modify the System including operation of the testing tools, supporting infrastructure, and security as agreed between the State and Contractor.
- Metrics for tracking progress in achieving training and knowledge transfer objectives.
- Reporting progress of training and knowledge transfer activities.

- Additional training for technical staff on development, reporting and maintenance including processes and tools as needed
- The training must include all aspects of the use of the New System - both Technical and Operational
All Training Materials are due at the time of Staging and before the 3rd iteration of any application development
The Contractor shall provide end user training documentation (including user manuals, online content, reference cards, etc.). Contractor is to supply full provisioning to all primary, secondary, and third level support personnel identified by the Business Lead. Provisioning for these users to be completed on the staging platform prior to SoV UAT
The Contractor shall provide the State a training course outline for review and acceptance at least thirty (30) calendar days prior to the beginning of scheduled training.
The Contractor shall submit all training packages to the State for review and acceptance at least twenty-one (21) calendar days prior to the beginning of scheduled training.
The Contractor shall provide (customized as required) training manuals for all classroom as well as any online training they provide. Softcopies of all training manuals shall be provided by the Contractor for both modes of training (classroom or online). Additionally, Hard copies of training manuals shall be provided for class room training.
The Contractor shall provide all training materials developed for the system to the State. Those materials shall become the property of the State and may be modified and duplicated by the State.
The Contractor shall provide electronic copies of all training materials (end-user, technical, trainee and instructor) in a format that can be easily accessed, updated and printed by State staff using software for which the State owns licenses. This includes but not limited to CDs/DVDs, and online. All training materials must conform to the applications and components interfacing with the Enterprise Staging Platform prior to release into production
The Contractor shall provide updated training documentation as necessary to incorporate new processes or functionality due to system releases, upgrades, or changes throughout the contract term.
The Contractor shall schedule all training during regular work hours as approved by the State, unless the Contractor receives advance approval from the State for specific training at other times.
The Contractor shall provide all training within the State of Vermont at locations convenient to the attendees of the training, unless the Contractor receives advance approval from the State for specific training at other locations.
The Contractor shall schedule staff training in a manner that is least disruptive to the normal business operations.
The Contractor shall provide instructions to the State on Contractor tools and procedures used to support the training.
The Contractor shall ensure that Contractor staff members are not assigned to train State staff and work on critical path development tasks concurrently.
The Contractor shall assist the State in developing end-user training on the System business functionality.
The Contractor shall provide end-user classroom training sessions and on-line training as agreed with the State for all end-users.
The Contractor shall identify the number of staff necessary for maintenance and operations of the System as well as the skill sets necessary, with the State's agreement.
The Contractor shall develop and provide training for the technical support staff including State staff and contractors.

For the duration of the contract, the Contractor shall continue to provide training to the technical staff if system upgrades have been installed and there is a change in System components functionality.

The Contractor shall create a training approach and needs analysis early in each project Phase which shall determine the training requirements

Quality Management Requirements

The Contractor shall describe the quality management approach and methodology used for the System with input from the Business Units

The Contractor shall develop a Quality Management Plan to describe the approach they shall use to ensure the quality of the Service and the work it performs. The Plan shall include at least the following items:

- The State's management of the requirements. This includes the identification of inconsistencies between the requirements, and the project's plans and work products.

- The State's requirements traceability matrix that shall be used for requirements management, and shall map where in the software a given requirement is implemented.

- The practices and procedures that shall be followed for reporting, tracking, and resolving problems or issues identified in System Testing, System Migration, and System Operations.

- The business process changes resulting from the System.

- The quality of work products developed and delivered by Contractor's sub-Contractors/partners, if applicable.

- A metrics process that describes how measurements shall be identified, collected, and analyzed to ensure that quality goals, including management and the System goals, are being met. It should also describe the types of project metrics used.

- The Contractor's organizational structure, and the roles and responsibilities of Contractor staff as they relate to quality management.

- Description of the processes and management of the Defect and Issue Tracking System for System of items and, if applicable, how corrective action plans shall be developed to address more significant issues.

The Contractor must, subject to review by the Department as needed, implement and document quality assurance processes and procedures to ensure integrity of services and of the processing and storage of the Contractor's data including, but not limited to, the following:

- a. Maintain separate testing environments, emulating the production environment, where users can test systems changes, edits, and pricing without affecting the production systems

- b. Allow online update and inquiry of all data repositories in the test environment(s) to simulate the production environment

- c. Generate test results to evaluate the fiscal impact of changed edits or other test conditions

- d. Validate and document internal systems by balancing input and output data execute batch jobs appropriately, and generate outputs appropriate for the executed cycle

- e. Comply with the requirements of the Payment Error Rate Measurement (PERM) program and other quality assurance programs as specified by CMS, the State, and the Department

- f. Maintain internal quality control procedures for functionality and data integrity

Operations Requirements
The Contractor shall have recovery plans in place for the non-production environments of the PBMS enterprise (Development, Testing, Staging, Model Office and Business to Business environments.)
The Contractor shall have a Disaster Recovery Plan in place for the production PBMS environment in the event of a catastrophic disaster at either the primary or secondary sites.
The Contractor shall be required to supply hot failover and fail back capability for the production PBMS. This capability shall be invoked during system maintenance of the PBMS at the primary production site and during any production outage at the primary site and/or Secondary Network back up to primary Data Center should primary circuit fail but Data Center is Ok. At a minimum, this failover functionality shall be tested each quarter of the year for the duration of the contract. If no system maintenance or outages have occurred during a quarter to exercise this capability, then the Contractor shall schedule a test failover and fail back to occur within the month following the end of such quarter.
The Contractor shall be required to supply a PBMS Help Desk that is available during regular business hours (Monday – Friday, 8:00 a.m. – 7:00 p.m. Eastern Time and Saturdays from 8:00 am – 5:00 pm Eastern Time) to assist with usability questions, problem analysis and for reporting technical issues
The Contractor must have a defined escalation plan for technical problems that cannot be addressed by the PBMS Help Desk. The escalation plan must include a definition of severity levels and specific escalation procedures based upon the severity of the technical problem.
The System shall have the ability to generate administrative alerts and warnings when statistics indicate an impact or potential limits on system performance and availability. These alerts shall to be communicated through various mechanisms including SMS, Phone and Email
The System shall provide SLA monitoring and reporting capabilities.
The System shall provide event management and monitoring functionality according to ITIL best practices.
The System shall provide Data archiving capabilities based on State defined criteria.
The System shall provide version control capabilities to ensure the integrity of all software releases.
The System shall provide logging, reporting for accessing errors and exceptions.
The System shall monitor and provide reports on any unauthorized access.
The System shall track unusual or out of normal system operations usage or user access.
All system communications shall be protected by at least 128-bit encryption.
The System shall maintain the privacy and participant consent requirements of the participants.
The System shall protect the integrity of the data across all interfaces. Data shall be accurate and timely.
The System shall provide role-based user and identity management.
The System shall maintain a level of security that is commensurate with the risk and magnitude of the harm that could result from the loss, misuse, disclosure, or modification of information.
The System shall implement security controls in accordance with applicable Federal and State security policy and regulations.

Service Level and Performance Requirements
System Availability and Response Times

The PBMS shall be operational 24 hours a day, during every day of the year, including all holidays. The Contractor shall meet a 99.95% PBMS availability requirement. This includes end-to-end System availability of all software, hardware and communications interfaces between the PBMS and all ancillary systems. The Contractor must measure and report its performance on this SLA monthly.
The Contractor's PBMS response time be no greater than 8 seconds and must average 3 seconds or less for all interactive system transactions other than the reporting-related system interactions covered by the next 4 SLRs. The response time is measured as the time from when the users presses enter until the screen refresh in response is complete.
The maximum response time for search and lookup performance is 3 seconds for 95 percent of the time. Maximum response time shall not exceed 15 seconds except for specified and agreed to exclusions.
The maximum response time for a Dashboard report is 5 seconds, 95% of the time provided the request is less than 13 months of data.
The maximum response time for a Static Standard report is 5 seconds, 95% of the time provided the request is less than 13 months of data..
The maximum response time for a parameter-based report is 20 seconds provided the request is less than 13 months of data..
The Contractor must take immediate action to ensure that the System downtime does not exceed 15 minutes per occurrence and take necessary action to meet End-to-End System Availability and Response times as agreed to in the contracted service level agreements.
Unscheduled System down time per occurrence- The amount of time that the PBM Service has an unscheduled downtime shall not exceed 2 hours per occurrence, and no more than 2 incidents per year
System Disaster Recovery Performance Measures
Recovery Time Objective (RTO) shall be within 4 hours. In case of a disaster that effects the PBM operations, the entire service shall be restored within 4 hours
Recovery Point Objective (RPO) shall be no more than 1 hour of data loss. In case of a disaster that effects the PBM operations, 1 hour of data inputs to the system (but no more) may be lost and need to be re-entered.
Call Center Performance Measures
First Call resolution Rate shall be 90% or greater. First contact completion applies when the first person the customer reaches either answers the question, resolves the problem, or dispatches service where appropriate.
Call Answering Time - 95% of all calls entering the hold queue shall be answered within 60 seconds by an agent with 90% of those answered within 45 seconds and the remaining answered within 75 sec.
Call abandonment Rate shall be 5% or less. This is the % of calls that are disconnected/abandoned after entering the hold queue.
POS System SLRs
The POS system provided to the Pharmacies shall operate with 24 hours a day, during every day of the year, including all holidays no less than 99.95% of the time – except for Contractor scheduled downtime approved by the State of Vermont
Average POS response time of three seconds or less on all transactions. (Response time means the time from when the claim is received by the Contractor's processor to the time the results are transmitted from the Contractor's processor and includes all procedures required to complete claim adjudication.)

The Contractor must notify staff designated by the State of Vermont of performance issues impacting POS adjudication within 15 minutes of the Contractor's knowledge of the system problems. The State shall provide procedures for after-hours contact during the Design, Development, and Implementation phase of the Contract.
99% of provider enrollment and beneficiary eligibility data is updated within 4 hours of receipt of the eligibility or provider information, including electronic file transfers or manual updates. Urgent provider or eligibility updates will be addressed within 15 minutes of receipt of provider information and may include an electronic or manual update.
99.9% of all prescription claims shall be processed accurately.
Other SLRs
The Contractor shall notify the State according to the current Business Associate Agreement in place between the State of Vermont and Contractor of any security or data breach including PHI or PII data breach and shall follow and be responsible for the incident response procedures and activation.
The Contractor shall be required to correct any Federal or State audit findings specific to the PBMS environment in the time frame specified in the audit report.
The Contractor shall provide a detailed approach to Operational Management in line with the State's strategy. Additionally, the Contractor shall provide detailed Operational information on automated and manual tools as well as details on processes that shall be performed by the Contractor to ensure effective system control, reliability, documentation, and recovery.
Provide the capability to track, monitor, and report on all activities as defined within SLAs.
Provide an automated real-time capability to track and monitor performance of all system components (End-to-End).
The Contractor shall meet all applicable HIPAA standards for the protection of PHI and PII data and shall be held responsible to remediate any system breach that results in identify theft. The Contractor shall be responsible for all regulatory fines and direct damages related to any breach of PHI or PII data security.
The Contractor shall meet all federal mandates and deadlines for compliancy as defined the Regulatory and Security tab. All Security efforts, to bring the PBMS under compliance, shall not be considered as separately payable under the PBMS Application Support arrangement but should be factored into the overall cost for providing the system to State.
Facilitate the continued improvement of performance and process efficiency by providing reporting that includes both current values and historical data with sampling frequencies and timeframes.
Provide an automated performance monitoring system to measure operational performance against defined Service Level Agreements and report results using a Scorecard.
The System shall have the ability to generate administrative alerts and warnings when statistics indicate an impact or potential limits on system performance and availability. This includes alerts from every System component including the Database.
The Contractor must notify staff designated by the Department of performance issues impacting PA processing within 30 minutes of the Contractor's knowledge of system problems.
100% of the monthly and quarterly standard management reports shall be available and delivered to the Department within 30 days after the end of each quarter.

Account Management

85% of all calls are resolved within two business days of receipt
All written inquiries shall be responded to within two business days
Ongoing change requests including programming changes requested the Department, are completed within 20 business days or 30 calendar days of receipt of the request, unless other time parameters are agreed to by the State.
The Contractor guarantees a satisfaction rating of at least 100 for satisfied or very satisfied. The Contractor shall survey Department staff and report results back to the State.

Legal/ Contracting
The Contractor guarantees the timing of response to the Department comments of the contract draft within 10 business days of the receipt of the contract requested changes.

ATTACHMENT B PAYMENT PROVISIONS

The maximum dollar amount payable under this agreement is not intended as any form of a guaranteed amount. The Contractor will be paid for products or services actually performed as specified in Attachment A up to the maximum allowable amount specified in this agreement. State of Vermont payment terms are Net 30 days from date of invoice, payments against this contract will comply with the State's payment terms. The payment schedule for delivered products, or rates for services performed, and any additional reimbursements, are included in this attachment. The following provisions specifying payments are:

1. Contract Maximum. The total maximum amount payable under this contract shall not exceed \$12,926,788.55. All rates set forth in this contract are all-inclusive, no expenses, benefits or insurance will be deemed reimbursable to the Contractor by the State Under this contract:

Table B-1 Total Cost Summary Base Years

Description	Total One-time Costs	Year 1	Year 2	Year 3	Total Ongoing Costs	Total Costs
Implementation / Configuration	\$1,918,775.74					\$1,918,775.74
Contingency (Budget for Unanticipated Tasks)	\$110,047.50	\$113,348.93	\$116,749.39	\$120,251.87	\$350,350.19	\$460,397.69
Total DDI	\$2,028,823.24	\$113,348.93	\$116,749.39	\$120,251.87	\$350,350.19	\$2,379,173.43
Claims Processing and Operational Support		\$1,243,053.82	\$1,289,683.30	\$1,252,778.58	\$3,785,515.70	\$3,785,515.70
Clinical Program Management and Support		\$1,103,679.68	\$1,146,248.42	\$1,104,065.24	\$3,353,993.34	\$3,353,993.34
Financial Support Services		\$689,329.87	\$715,973.94	\$689,169.76	\$2,094,473.57	\$2,094,473.57
Medication Therapy Management Program-Medicaid		\$425,000.00	\$437,750.00	\$450,882.50	\$1,313,632.50	\$1,313,632.50
Total O&M		\$3,461,063.37	\$3,589,655.66	\$3,496,896.08	\$10,547,615.11	\$10,547,615.11
Total Costs including One-time Costs and Ongoing Costs	\$2,028,823.24	\$3,574,412.31	\$3,706,405.05	\$3,617,147.95	\$10,897,965.31	\$12,926,788.55

In the event the State elects to pursue either of the option years after year 3 of this contract, the Contractor agrees to the prices for its work indicated in its bid to the State as follows:

Table B-2 Optional Years 4 & 5 Costs

Description	Year 4	Year 5	Total Ongoing Costs
Contingency (Budget for Unanticipated Tasks)	\$123,859.43	\$127,575.21	\$251,434.64
Claims Processing and Operational Support	\$1,219,894.73	\$1,340,778.30	\$2,560,673.03
Clinical Program Management and Support	\$1,065,810.74	\$1,183,159.35	\$2,248,970.09
Financial Support Services	\$664,836.77	\$738,616.62	\$1,403,453.39
Medication Therapy Management Program-Medicaid	\$464,408.98	\$478,341.25	\$942,750.23
Total Costs	\$3,538,810.65	\$3,868,470.73	\$7,407,281.38

Work performed under the contingency line item called out in Table B-1 shall not exceed \$460,397.69. The contingency line item shall be billed by Customer Service (CSRs) hour as requested by the State, and will be

billed per hour as utilized. As of May 1, 2014 the base rate for CSR hours is \$108.25. Effective January 1, 2015, the hourly rate for billable project CSR hours will be increased from the 2014 base rate of \$108.25 per hour at the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) inflation rate and the per hour State reimbursement for any hours remaining at the termination of the contract will also be increased at the CPI-W inflation rate. CSR hours are not expended for new project proposal development as indicated below. The Contractor agrees to provide the following number of CSRs hours to the State:

Between May 1, 2014 and December 31, 2014 the Contractor shall allow the State up to 1,017 CSR Hrs.
Between January 1, 2015 and December 31, 2015 the Contractor shall allow the State up to 1,017 CSR Hrs.
Between January 1, 2016 and December 31, 2016 the Contractor shall allow the State up to 1,017 CSR Hrs.
Between January 1, 2017 and December 31, 2017 the Contractor shall allow the State up to 1,017 CSR Hrs.

The State may initiate the CSR process leading to a new project need by requesting a proposal from the Contractor. The request shall be prepared by the State and will include the following:

- i. Project Contact
- ii. Type of Activity
- iii. Project Goal(s)
- iv. Brief Description of Project
- v. Project Deliverable(s)
- vi. Estimated Project Duration/Phasing
- vii. Description of Expected Timeline of Project

Upon the State's consideration of the proposal, the State shall then complete the Task Order Form (Attachment G). Both parties have the right to submit modifications or deny any Task Order submitted by the either party. The final Task Order document shall receive approval by the State, and be signed by the Contractor, the State Authorized Representative, and the DVHA Business Office prior to engagement in the outline work. Each Task Order must be approved before any work shall begin. The State will not pay for services that are not previously approved in a Task Order by both authorized representatives listed within this section. The State Authorized Representative and the DVHA Business Office have final authority over whether or not a Task Order is initiated under this contract. Changes to a Task Order shall be accomplished by written modification as agreed to by both parties listed below and will be reflected in a new Task Order. Task Orders must be approved by both parties listed below:

Kate Jones, Procurement Director
Department of Vermont Health Access
312 Hurricane Lane
Williston, VT 054945
kate.jones@state.vt.us

Nancy Hogue, VT Pharmacy Director
Department of Vermont Health Access
312 Hurricane Lane
Williston, VT 054945
nancy.hogue@state.vt.us

At the conclusion of a project assignment, the final deliverables/products prepared in accordance with what was agreed upon in the executed Task Order document will be submitted to the State. Acceptance of the

deliverables/products by the State shall represent the Contractor's fulfillment of the project assignment. The State will have sixty days to acknowledge the final deliverables/products or to reject them.

Any unused CSR hours may be carried over to the following year. State will have the option to purchase additional CSR allocations annually in minimum block of 500 per year at a rate of \$98.25/hour through December 31, 2017. Any purchase of additional block of hours will be reduced to writing and incorporated into a signed amendment to this contract.

- a. For the DDI phase \$1,918,775.74 and a contingency amount of \$110,047.50 as shown in Table B-3.

Table B-3 DDI Milestones

PROJECT MILESTONES	% DUE AT COMPLETION	EST. COMPLETION DATE	DOLLAR VALUE OF MILESTONE PAYMENT
Project Initiation Activities Deliverable 1 — Project Kick-off Presentation Deliverable 2 — Project Management Plan Deliverable 3 — Project Work Plan and Schedule Deliverable 4 — Weekly Project Status Reports Established	5%	6/15/2014	\$95,938.79
Conversion Activities Deliverable 10 – Demonstration of successful initial data conversion ¹	10%	7/15/2014	\$191,877.57
Requirements Analysis JAD Sessions Complete Deliverable 5 — Requirements methodology and Template Deliverable 6 — Cross-Walk of contract Requirements against Contractor's proposed PBMS Deliverable 7 — Detailed Functional and Non-Functional Requirements Traceability Matrices	15%	8/1/2014	\$287,816.36
Business and Technical Design Deliverable 8 — Configuration Design Document Deliverable 9 — Data Integration and Interface Design Document	10%	8/15/2014	\$191,877.57
Configuration and Development Deliverable 11 — Client Review of Configuration Deliverable 12 — Unit Testing Results	15%	9/30/2014	\$287,816.36
System Testing Deliverable 13 — Documented System Test Results	10%	10/31/2014	\$191,877.57
Training Deliverable 15 — Training Plan Deliverable 16 — Training Materials			
Deliverable 17 — Documented Evidence of Successful End-User Learning	5%	11/15/2014	\$95,938.79
Acceptance Testing			

¹ Completion date assumes receipt of initial data transfer from outgoing PBM Vendor no later than 06/01/2014

PROJECT MILESTONES	% DUE AT COMPLETION	EST. COMPLETION DATE	DOLLAR VALUE OF MILESTONE PAYMENT
Deliverable 14 — User Acceptance	10%	12/1/2014	\$191,877.57
POS Implementation			
Deliverable 18 — Deployment Plan			
Deliverable 19 — CMS Certification Plan			
Deliverable 20 — System Documentation			
Deliverable 21 — Performance SLAs Reporting Tools and pre go live results			
Deliverable 22 – Final Data Conversion			
Deliverable 23 — Rollout (Go Live)	10%	1/1/2015	\$191,877.57
Production Support (Transition to Operations)			
Deliverable 24 - Post go live support plan			
Deliverable 25 - Systems Acceptance (punch list completion)			
Deliverable 27 - Operations and Maintenance Procedure Manuals	5%	2/1/2015	\$95,938.79
Certification of POS			
Deliverable 26 - CMS Certification – (letter from CMS)	5%	7/31/2015	\$95,938.79
SUBTOTAL	100%		\$1,918,775.74
Contingency for System Implementation and Enhancement		\$ 108.25/hr.	\$110,047.50
Total for DDI			\$2,028,823.24

- b. For Operations and Maintenance years \$10,547,615.11 and a contingency amount of \$350,350.19 as shown in Table B-4.

Table B-4 PBM Operations

Description	Unit of Measure	Year 1 Unit Cost	Year 1 Cost	Year 2 Cost	Year 3 Cost	Total Ongoing Costs
Claims Processing and Operational Support			\$1,243,053.82	\$1,289,683.30	\$1,252,778.58	\$3,785,515.70
POS Claims Processing (includes eligibility, adjudication, pricing, FUL, SMAC, 340B, COB, benefit design, Pro-DUR, all other edits, audits, restrictions)*	per month	\$57,444.16	\$689,329.86	\$715,973.94	\$689,169.76	\$2,094,473.56
Provider Support: Provider Portals, Provider Support, Call Center(s)- Technical and Clinical, Provider Communications	per month	\$32,493.66	\$389,923.96	\$404,995.36	\$389,833.40	\$1,184,752.72
Electronic Prescribing Support and Interface	per transaction	\$0.11	\$163,800.00	\$168,714.00	\$173,775.42	\$506,289.42
Clinical Program Management and Support			\$1,103,679.68	\$1,146,248.42	\$1,104,065.24	\$3,353,993.34
Prior Authorization - Electronic POS (Drug and Medical Look-	per claim	\$0.79	\$206,798.96	\$214,792.18	\$206,750.93	\$628,342.07

Description	Unit of Measure	Year 1 Unit Cost	Year 1 Cost	Year 2 Cost	Year 3 Cost	Total Ongoing Costs
Back)						
Prior Authorization - Manual/Call Center	per claim	\$12.28	\$357,198.20	\$371,004.68	\$357,115.24	\$1,085,318.12
Prior Authorization-Electronic Medical Record/Electronic Health Record	per transaction	\$0.11	\$10,500.00	\$10,815.00	\$11,139.45	\$32,454.45
State Maximum Allowable Cost Program(SMAC)	per month	\$6,962.93	\$83,555.13	\$86,784.72	\$83,535.73	\$253,875.58
All other Clinical Programs and Services: PDL Management, Utilization Management, Retrospective Drug Utilization Review, DUR Board Support, Appeals Support, Specialty Pharmacy programs, Consultative Support	per month	\$37,135.62	\$445,627.39	\$462,851.84	\$445,523.89	\$1,354,003.12
Financial Support Services			\$689,330	\$715,974	\$689,170	\$2,094,473.57
Management of State and Federal rebate programs	per month	\$51,061.47	\$612,737.66	\$636,421.28	\$612,595.35	\$1,861,754.29
Administration and support of Supplemental rebate program	per month	\$3,481.46	\$41,777.57	\$43,392.36	\$41,767.86	\$126,937.79
Analytics and reporting	per month	\$2,901.22	\$34,814.64	\$36,160.30	\$34,806.55	\$105,781.49
Other Services			\$425,000	\$437,750	\$450,883	\$1,313,632.50
Medication Therapy Management Program-Medicaid	Per Member Per Month	\$125.00	\$425,000.00	\$437,750.00	\$450,882.50	\$1,313,632.50
Total Ongoing Services and Options			\$3,461,063.37	\$3,589,655.66	\$3,496,896.08	\$10,547,615.11
Contingency (Budget for Unanticipated Tasks)			\$113,348.93	\$116,749.39	\$120,251.87	\$350,350.19
Total O&M			\$3,574,412.30	\$3,706,405.05	\$3,617,147.95	\$10,897,965.30

- Invoices. Unless otherwise specifically provided in Attachment A, Contractor shall issue to the State, monthly in arrears, a separate invoice in U.S. Dollars for the amounts due for work provided in Attachment A provided in the previous month. Each invoice shall include such detail and categories of information as mutually agreed upon by the parties. Each invoice shall itemize the specific sections of the Statement of Work on which such Charge is based and include calculations used to establish such Charges. Invoices shall be coded and charges segregated as directed by the State to facilitate proper accounting among multiple funding sources and different cost allocations among different parts of the solution. All periodic Charges under this agreement (excluding charges based upon actual usage or consumption of Services) shall be computed on a calendar month basis and shall be prorated for any partial month. Invoices must be submitted to:

Kate Jones, Procurement Director
Department of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, VT 054953

- Payment.

- a. Unless otherwise provided in Attachment A, the undisputed portion of each invoice properly rendered and delivered hereunder shall be due and payable within thirty (30) days following the date such invoice is actually received by the State. Any amounts disputed by the State shall be disputed in accordance with the provisions of Section 4 [Payment Disputes]. All payments shall be made to Contractor by the State in U.S. dollars, unless otherwise specifically agreed upon and set forth in the applicable amendment.
- b. The Contractor will be compensated solely by the State. Accordingly, Contractor may not seek payment for Services provided to the State under this agreement from any other person or entity. No payments made under this agreement shall be construed as evidence of the adequate performance of the Services nor shall any payments be construed as acceptance of any unsatisfactory Services by the State.

4. Payment Disputes.

In order to dispute an invoice, or any part thereof, the State must set forth in writing the amount(s) disputed and the specific basis or reason for the dispute, which shall be reasonably detailed and not general or speculative in nature. The State shall forward a Payment Dispute Notice to Contractor on or prior to the due date of the invoice disputed. The State shall not dispute any invoice unless the State believes, in good faith, that the State is being charged for Services which have not been provided or at prices higher than those set forth in this agreement, or that manifest errors in calculation or the like have occurred, or that the State is otherwise being charged for items contrary to work described in the Attachment A of this contract.

Upon compliance with the foregoing provisions, the State may, at its option, withhold payment of the disputed amount(s) of the invoice, and shall remit to Contractor the undisputed amount(s), if any, in a timely manner. Upon receipt of the Payment Dispute Notice, both parties shall make reasonable, diligent, good faith efforts to resolve the dispute as soon as possible in accordance with the dispute resolution procedures set forth below:

- a. General. Unless specifically provided otherwise in this agreement, any dispute or controversy between the parties hereunder shall be resolved as provided in this Section. A dispute over payment will not entitle Contractor to withhold, suspend or decrease its required performance under this Agreement. Contractor shall continue performing its obligations hereunder while the parties are seeking to resolve any dispute in accordance with this Article, unless and until such obligations are terminated or expire in accordance with the provisions of this agreement and the existence of such dispute shall not relieve the Contractor of any of its obligations under this agreement.
- b. Informal Dispute Resolution. The parties may attempt to resolve any dispute or controversy hereunder, informally by submitting the dispute, in writing, managers responsible for the State and the Contractor ("Project Managers") who shall meet in person or by telephone conference call in an effort to resolve the dispute, as often as they deem necessary to gather and analyze any information relevant to the resolution of the dispute, but not less than once every day.
 - i. During the course of attempting to resolve the dispute informally, all reasonable requests for non-privileged information related to the dispute, made by one party to the other, shall be honored; provided, however, in attempting to resolve the dispute, the conduct and activities of the parties, any offers of compromise, all settlement proposals and/or information exchanged shall: (i) be considered information that is confidential and proprietary to each of

- the parties and therefore, prohibited from disclosure by either of them; (ii) be considered settlement discussions, and shall be inadmissible in any subsequent proceedings; and (iii) shall in no way be construed or deemed to preclude, prohibit or restrict either party, at any time or in any manner, from proceeding to litigation or otherwise exercising any right or remedy available to it under this agreement, at law or in equity.
- ii. If the Project Managers determine in good faith that resolution through continued discussions does not appear likely or if the dispute is not resolved within five (5) business days after the dispute has been submitted in writing, either party may notify the other ("Dispute Notice") to proceed with the following escalation and dispute resolution procedures:
- 1) The Project Managers shall gather any additional information relevant to the resolution of the dispute and which may be necessary and appropriate for presentation to the Contractor Account Manager and an executive designated by the State responsible for the Services involved in such dispute.
 - 2) The Project Managers shall, within fifteen (15) business days after the Dispute Notice has been given, submit a report to the Contractor Account Director and Executive designated by the State which includes a description of the nature, extent and basis of the dispute, how the dispute arose, the U.S. dollar amount involved in the dispute, any agreed upon statements of fact, a fair, accurate and complete representation of the positions of each of the parties in the dispute, and any other information relevant to the dispute, including information that represents agreed upon stipulations and statements of fact, as well as points of disagreement between the parties. The Report shall include one or more recommendations and alternatives which the parties believe the Contractor Account Manager and designated State Executive should consider. A description of the projected impact of the failure to resolve the dispute promptly and amicably shall also be included in the submission. Each party may include separate statements of impact, recommendations or other information to the extent any of the participants cannot or do not agree on particular items.
 - 3) Not later than ten (10) days after the Report in connection with any dispute is submitted to them for review, the Contractor Account Manager and designated State Executive shall meet in an attempt to resolve the dispute. Either party may request additional information, material, advice and input from individuals and organizations inside or outside the State's and Contractor's organization.
 - 4) If the Contractor Account Manager and designated State Executive are unable to resolve the dispute within five (5) business days after the aforesaid meeting date, the parties may mutually agree to refer the dispute to non-binding mediation, which shall be conducted using the rules and procedures promulgated by the American Arbitration Association, applicable to mediation in a location to be agreed upon in Vermont, where the parties agree all such proceedings shall be conducted. Such mediation shall be conducted by a qualified neutral, independent third party mediator, knowledgeable in the subject matter of the dispute and, if the parties cannot agree upon a mediator, each party shall select such a mediator and the two (2) mediators so selected shall mutually agree upon a third and the mediation shall, in that case, be conducted by a panel of the three (3) mediators so selected. Each party shall bear its own expenses and an equal share of the expenses of the mediator(s) and the any related fees.
 - 5) If the parties accept and agree to the mediators' recommendations or otherwise reach agreement resolving the dispute, such agreement shall be made in writing and once duly executed, shall be binding on the parties; provided, however, that for the avoidance of

any doubt or ambiguity, nothing in this agreement shall be construed as restricting, prohibiting, preventing or otherwise impairing either party from proceeding to litigation, instituting judicial or other proceedings, including a formal claim or legal action, or from pursuing any and all other legal, equitable or contractual remedies available to such party, at any time. Notwithstanding anything in this agreement to the contrary, the State shall not agree to arbitration and the State shall not waive any right to a trial by jury.

ATTACHMENT C
CUSTOMARY PROVISIONS FOR CONTRACTS AND GRANTS

1. **Entire Agreement.** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law.** This Agreement shall be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. **Appropriations:** If appropriations are insufficient to support this Agreement, the State may cancel on a date agreed to by the parties or upon the expiration or reduction of existing appropriation authority. In the case that this Agreement is funded in whole or in part by federal or other non-State funds, and in the event those funds become unavailable or reduced, the State may suspend or cancel this Agreement immediately, and the State shall have no obligation to fund this Agreement from State revenues.
5. **No Employee Benefits For Party:** The Party understands that the State shall not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor shall the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income shall be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. **Independence, Liability:** The Party shall act in an independent capacity and not as officers or employees of the State.

The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The Party shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this Agreement.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.

7. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverage is in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Party

for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/ Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Professional Liability: Before commencing work on this Agreement and throughout the term of this Agreement, the Party shall procure and maintain professional liability insurance for any and all services performed under this Agreement, with minimum coverage of **\$1,000,000** per occurrence, and **\$3,000,000** aggregate.

8. **Reliance by the State on Representations:** All payments by the State under this Agreement shall be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.
9. **Requirement to Have a Single Audit:** In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient shall complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a single audit is required for the prior fiscal year. If a single audit is required, the Subrecipient shall submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.
- A single audit is required if the subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a single audit is required.

- 10. Records Available for Audit:** The Party shall maintain all books, documents, payroll papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the Agreement and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this Agreement.
- 11. Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.
- 12. Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
- 13. Taxes Due to the State:**
- a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
 - b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
 - c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
 - d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.
- 14. Child Support:** (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:
- a. is not under any obligation to pay child support; or
 - b. is under such an obligation and is in good standing with respect to that obligation; or
 - c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

15. Sub-Agreements: Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

Notwithstanding the foregoing, the State agrees that the Party may assign this agreement, including all of the Party's rights and obligations hereunder, to any successor in interest to the Party arising out of the sale of or reorganization of the Party.

16. No Gifts or Gratuities: Party shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

17. Copies: All written reports prepared under this Agreement shall be printed using both sides of the paper.

18. Certification Regarding Debarment: Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at:

<http://bgs.vermont.gov/purchasing/debarment>

19. Certification Regarding Use of State Funds: In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds shall be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

**ATTACHMENT D
OTHER PROVISIONS**

- 1) Order of Precedence; Contractor Documentation. The parties specifically agree that any language or provisions contained in a Contractor Document is of no force and effect if such language or provisions conflict with the terms of Attachment C or Attachment D to this Contract. Further, in no event shall any Contractor Document (a) require indemnification by the State of the Contractor; (b) waive the State's right to a jury trial; (c) establish jurisdiction in any venue other than the Superior Court of the State of Vermont, Civil Division, Washington Unit; (d) constitute an implied or deemed waiver of the immunities, defenses, rights or actions arising out of State's sovereign status or under the Eleventh Amendment to the United States Constitution; or (e) limit the time within which an action may be brought hereunder.

For purposes of this Attachment D, "Contractor Document" shall mean one or more document, agreement or other instrument required by the Contractor in connection with the performance of the services set forth in Attachment A hereto regardless of format and any other paper or "shrinkwrap," "clickwrap" or other electronic version thereof.

- 2) Term of Contractor's Documents. Contractor acknowledges and agrees that, to the extent a Contractor Document provides for alternate term or termination provisions, including automatic renewals, such sections shall be waived and have no force and effect. All Contractor Documents shall run concurrently with the term of this Contract.
- 3) Indemnification. The Contractor acknowledges and agrees that the laws and the public policy of the State of Vermont prohibit the State from agreeing to indemnify contractors and other parties. The Contractor agrees that, to the extent a Contractor Document expressly provides for or implies indemnification of the Contractor and/or other third parties by the State, such sections shall be waived and have no force and effect with respect to the State.
- 4) Limitation on Disclaimer. Notwithstanding anything to the contrary set forth in a Contractor Document, the express warranties set forth in this Contract shall be in lieu of all other warranties, express or implied.
- 5) Limits to Liability.

(i) CONTRACTOR'S AGGREGATE LIABILITY TO THE STATE OF VERMONT IN CONNECTION WITH THIS AGREEMENT (WHETHER UNDER CONTRACT, TORT OR ANY OTHER THEORY OF LAW OR EQUITY) SHALL NOT EXCEED, UNDER ANY CIRCUMSTANCES, TWO AND A HALF (2.5) TIMES THE FEES PAID OR PAYABLE BY THE STATE OF VERMONT TO CONTRACTOR DURING THE FIRST YEAR OF OPERATIONS (DEFINED HERE AS THE FIRST YEAR THE CONTRACTOR PAYS CLAIMS OR 2015) . THE FOREGOING LIMITATION SHALL NOT APPLY TO STATE CLAIMS ARISING DIRECTLY OUT OF (A) CONTRACTOR'S OBLIGATION TO INDEMNIFY THE STATE FOR COPYRIGHT, PATENT OR OTHER INTELLECTUAL PROPERTY INFRINGEMENT; (B) PERSONAL INJURY OR DAMAGE TO REAL OR PERSONAL PROPERTY; OR (C) CONTRACTOR'S GROSS NEGLIGENCE, FRAUD OR INTENTIONAL MISCONDUCT. THE

FOREGOING LIMITATION SHALL APPLY TO STATE CLAIMS ARISING DIRECTLY OUT OF CONTRACTORS CONFIDENTIALTY OBLIGATIONS TO THE STATE.

THE CONTRACTOR SHALL NOT BE LIABLE TO THE STATE FOR ANY INDIRECT, INCIDENTAL OR SPECIAL DAMAGES, DAMAGES WHICH ARE NOT PROXIMATELY CAUSED BY A PARTY OR LOSS OF ANTICIPATED BUSINESS OR PROFITS IN CONNECTION WITH OR ARISING OUT OF THE SUBJECT MATTER OF THIS CONTRACT.

(ii) The provisions of this Section shall apply notwithstanding any other provisions of this Contract or any other agreement. The provisions of this Section shall survive the expiration or termination of this Contract.

- 6) **Records Available for Audit:** The Contractor shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Contractor in the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.
- 7) **Trial by Jury.** The Contractor acknowledges and agrees that public policy prohibits the State from agreeing to arbitration and/or from waiving any right to a trial by jury. Therefore, Contractor further acknowledges and agrees that, to the extent a Contractor Document expressly provides for arbitration or waiver of the State's right to a jury trial of the Contractor and/or other third parties by the State, such sections shall be waived and shall have no force and effect with respect to the State.
- 8) **Sovereign Immunity.** The Contractor acknowledges that State reserves all immunities, defenses, rights or actions arising out of State's sovereign status or under the Eleventh Amendment to the United States Constitution. No waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the State's entry into this contract.
- 9) **Jurisdiction.** Notwithstanding anything to the contrary in the Contractor's Documents, the Contractor agrees that any action or proceeding brought by either the State or the Contractor in connection with this Contract shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Contractor irrevocably submits to the jurisdiction of such court in respect of any such action or proceeding. The State shall not be liable for attorneys' fees in any proceeding.
- 10) **Governing Law.** Notwithstanding anything to the contrary in a Contractor Document, the Contractor agrees that this Contract, including any Contractor Document, shall be governed by and construed in accordance with the laws of the State of Vermont.
- 11) **Warranties.** The Contractor represents, warrants and covenants that:
 - (i) The Contractor has all requisite power and authority to execute, deliver and perform its obligations under this Agreement and the execution, delivery and performance of this Agreement by the Contractor has been duly authorized by the Contractor.

- (ii) There is no outstanding litigation, arbitrated matter or other dispute to which the Contractor is a party which, if decided unfavorably to the Contractor, would reasonably be expected to have a material adverse effect on the Contractor's ability to fulfill its obligations under this Agreement.
 - (iii) The Contractor shall comply with all laws applicable to its performance of the services and otherwise to the Contractor in connection with its obligations under this Agreement.
 - (iv) All deliverables shall be free from material errors and shall perform in accordance with the specifications therefor.
 - (v) The Contractor owns or has the right to use under valid and enforceable agreements, all intellectual property rights reasonably necessary for and related to delivery of the services and provision of the deliverables as set forth in this Agreement and none of the deliverables or other materials or technology provided by the Contractor to the State shall infringe upon or misappropriate the intellectual property rights of any third party.
 - (vi) Each and all of the services shall be performed in a timely, diligent, professional and workpersonlike manner, in accordance with the highest professional or technical standards applicable to such services, by qualified persons with the technical skills, training and experience to perform such services in the planned environment. At its own expense and without limiting any other rights or remedies of the State hereunder, the Contractor shall re-perform any services that the State has determined to be unsatisfactory in its reasonable discretion, or the Contractor shall refund that portion of the fees attributable to each such deficiency.
 - (vii) The Contractor has adequate resources to fulfill its obligations under this Agreement.
- 12) **Virus Protection.** Contractor warrants and represents that any time software is delivered to the State, whether delivered via electronic media or the internet, no portion of such software or the media upon which it is stored or delivered shall have any type of software routine or other element which is designed to facilitate unauthorized access to or intrusion upon; or unrequested disabling or erasure of; or unauthorized interference with the operation of any hardware, software, data or peripheral equipment of or utilized by the State. Notwithstanding the foregoing, Contractor assumes no responsibility for the State's negligence or failure to protect data from viruses, or any unintended modification, destruction or disclosure.
- 13) **Effect of Breach of Warranty.** If, at any time during the term of this Contract, software or the results of Contractor's work fail to perform according to any warranty of Contractor under this Contract, the State shall promptly notify Contractor in writing of such alleged nonconformance, and Contractor shall provide at no additional cost of any kind to the State, the maintenance required.
- 14) **Trade Secret, Patent, and Copyright Infringement.** Notwithstanding anything to the contrary in the Contractor's Documents regarding intellectual property and infringement claims, the State shall not be deemed to waive any of its rights or remedies at law or in equity in the event of Contractor's trade secret, patent and/or copyright infringement.
- 15) **Taxes:** Most State purchases are not subject to federal or state sales or excise taxes and must be invoiced tax free. An exemption certificate shall be furnished upon request covering taxable items. The Contractor agrees to pay all Vermont taxes which may be due as a result of this Contract.
- 16) **Limits on Actions Prohibited.** The Contractor acknowledges and agrees that 12 V.S.A. § 465 renders any contractual provision which limits the time in which an action may be brought under the contract, or waives the statute of limitations, null and void.
- 17) **Contract Default; Remedies.** Notwithstanding anything to the Contrary in the Contractor Documents hereto, if either party breaches a material provision of this Contract, which breach

remains uncured for a period of thirty (30) days after written notice thereof from the other party specifying the breach (or if such breach cannot be completely cured within the thirty (30) day period, such longer period of time provided that the breaching party proceeds with reasonable diligence, as determined by the State, to completely cure the breach) either party, at its option, may terminate this Contract immediately by giving written notice and exercise such other remedies as shall be available under this Contract, at law and/or equity.

No delay or failure to exercise any right, power or remedy accruing to either party upon breach or default by the other under this Contract shall impair any such right, power or remedy, or shall be construed as a waiver of any such right, power or remedy nor shall any waiver of a single breach or default be deemed a waiver of any subsequent breach or default. All waivers must be in writing.

- 18) State Facilities. During the term of this Contract, the State shall make available to Contractor space in any State facility applicable to the Services, subject to the conditions that Contractor: (i) shall only use such space solely and exclusively for and in support of the Services; (ii) shall not use State facilities to provide goods or services to or for the benefit of any third party; (iii) shall comply with the leases, security, use and rules and agreements applicable to the State facilities; (iv) shall not use State facilities for any unlawful purpose; (v) shall comply with all policies and procedures governing access to and use of State facilities that are provided to Contractor in writing; (vi) instruct Contractor personnel not to photograph or record, duplicate, disclose, transmit or communicate any State information, materials, data or other items, tangible or intangible, obtained or available as a result of permitted use of State facilities; and (vii) return such space to the State in the same condition it was in at the commencement of this Contract, ordinary wear and tear excepted. State facilities shall be made available to Contractor on an "AS IS, WHERE IS" basis, with no warranties whatsoever.
- 19) Force Majeure. The parties' performance under this Contract is subject to acts of God, war or civil commotion, fire, earthquake, or other natural disaster, and unforeseeable acts of any federal, state, or local government or agency thereof, or any other cause beyond the parties' control, making it illegal or impossible to perform their obligations under this Contract. If a party asserts Force Majeure as an excuse for failure to perform the party's obligation, then the nonperforming party must prove that it took reasonable steps to minimize delay or damages caused by foreseeable events, that the party substantially fulfilled all non-excused obligations, and that the other party was timely notified of the likelihood or actual occurrence of an event described in this Paragraph.
- 20) Marketing. Neither party to this Contract shall refer to the other party in any publicity materials, information pamphlets, press releases, research reports, advertising, sales promotions, trade shows, or marketing materials or similar communications to third parties except with the prior written consent of such party prior to release.
- 21) Attachment F, Section 10, is hereby deleted entirely and replaced with the following language:
- Intellectual Property/Work Product Ownership.
- (i) The State shall retain all right, title and interest in and to all data content provided by the State, and to all information that is created under this Contract, including, but not limited to, all data that is generated under this Contract as a result of the use by Contractor, the State or any third party of any

technology systems or knowledge bases that are solely and exclusively developed for the State and used by Contractor hereunder (“**State Information**”), and all other rights, tangible or intangible (collectively, “**State Intellectual Property**”). Contractor may not use State Intellectual Property for any purpose other than as specified in this Contract. Upon expiration or termination of this Contract, Contractor shall return or destroy all State Intellectual Property and all copies thereof, and Contractor shall have no further right or license to such State Intellectual Property.

All Work Product shall belong exclusively to the State, with the State having the sole and exclusive right to apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, all patents and copyrights, and all applications and registrations, renewals and continuations thereof and/or any and all other appropriate protection. To the extent exclusive title and/or complete and exclusive ownership rights in and to any Work Product may not originally vest in the State by operation of law or otherwise as contemplated hereunder, Contractor shall immediately upon request, unconditionally and irrevocably assign, transfer and convey to the State all right, title and interest therein. Without any additional cost to the State, Contractor shall promptly give the State all reasonable assistance and execute all documents the State may reasonably request to assist and enable the State to perfect, preserve, enforce, register and record its rights in and to all Work Product. Contractor hereby appoints the State, through its designated signatory, as Contractor’s agent and Attorney-in-Fact to execute, deliver and file, as and if necessary, any and all documents necessary to give effect to the provisions of this Section and to take all actions necessary therefore, in Contractor’s stead and name, with the same force and effect as if executed, delivered and/or filed by Contractor. Notwithstanding the foregoing, or any other provision of this Agreement, the State of Vermont and Contractor acknowledge and agree that any software and services that are accessed through Contractor’s hosted environment in connection with this Agreement shall be regarded as Software-As-A-Service, and shall not be subject to the foregoing assignment of ownership rights to the State of Vermont.

“**Work Product**” means any tangible or intangible work product, creation, material, item or deliverable, documentation, information and/or other items created by Contractor, either solely or jointly with others, and which are developed, conceived of, prepared, procured, generated or produced by Contractor solely and exclusively for the State. Work Product may include ideas, inventions, improvements, discoveries, methodologies or processes, or writings, designs, models, drawings, photographs, reports, formulas, algorithms, patterns, devices, compilations, databases, computer programs, specifications, operating instructions, procedures manuals, or other documentation, whether or not protectable under Title 17 of the U.S. Code and whether or not patentable or otherwise protectable under Title 35 of the U.S. Code, that are developed, conceived of, prepared, arise, procured, generated or produced in connection with this Contract solely and exclusively for the State, whether as individual items or a combination of components and whether or not the services or the deliverables are completed or the same are reduced to practice during the Contract term. For the avoidance of doubt, Work Product shall not be deemed to include Contractor Intellectual Property, provided the State shall be granted a license to any such Contractor Intellectual Property that is incorporated into Work Product during the term of this Agreement. Notwithstanding the foregoing, or any other provision of this Agreement, the State of Vermont and Contractor acknowledge and agree that any software and services that are accessed through Contractor’s hosted environment in connection with this Agreement shall be regarded as Software-As-A-Service, and shall not be subject to the foregoing assignment of ownership rights to the State of Vermont.

(ii) Upon full payment to Contractor hereunder, and subject to the terms and conditions contained herein, Contractor hereby (i) assigns to State all rights in and to the Deliverables, except to the extent they include any Contractor Technology; and (ii) grants to State the right to use, for State's internal business purposes, any Contractor Technology included in the Deliverables in connection with its use of the Deliverables. Except for the foregoing license grant, Contractor or its licensors retain all rights in and to all Contractor Technology.

For purposes of these terms (i) "Technology" means works of authorship, materials, information and other intellectual property; (ii) "Contractor Technology" means all Technology created prior to or independently of the performance of the Services, or created by Contractor or its subcontractors as a tool for their use in performing the Services, plus any modifications or enhancements thereto and derivative works based thereon; and (iii) "Deliverables" means all Technology that Contractor or its subcontractors create for delivery to State as a result of the Services.

The Contractor shall not sell or copyright a work product or item produced solely and exclusively for the State under this Contract without explicit permission from the State.

If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor Technology. Notwithstanding the foregoing, or any other provision of this Agreement, the State of Vermont and Contractor acknowledge and agree that any software and services that are accessed through Contractor's hosted environment in connection with this Agreement shall be regarded as Software-As-A-Service, and shall not be subject to the foregoing assignment of ownership rights to the State of Vermont.

- 22) Confidentiality of Contractor Information. Notwithstanding anything to the contrary in a Contractor Document, the State shall not disclose information for which a reasonable claim of exemption can be made pursuant to 1 VSA § 317(c), including, but not limited to, trade secrets, proprietary information or financial information, including any formulae, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to the Contractor, and which gives the Contractor an opportunity to obtain business advantage over competitors who do not know it or use it.

The State shall promptly and without unreasonable delay notify Contractor of any request made under the Access to Public Records Act, or any request or demand by any court, governmental agency or other person asserting a demand or request for Contractor information. Contractor may, in its discretion, seek an appropriate protective order, or otherwise defend any right it may have to maintain the confidentiality of such information under applicable State law within three business days of the State's receipt of any such request. Contractor agrees that it shall not make any claim against the State if the State makes available to the public any information in accordance with the Access to Public Records Act or in response to a binding order from a court or governmental body or agency compelling its production. Contractor shall indemnify the State for any costs or expenses incurred by the State, including attorneys' fees awarded in accordance with 1 V.S.A. § 320, or otherwise incurred by the State, in connection with any action brought by Contractor or a third party in connection with Contractor's attempts to prevent public disclosure of Contractor's information.

- 23) Confidentiality of State Information. In performance of this Contract, and any exhibit or schedule hereunder, the Party acknowledges that certain State Data (as defined below), to which the Contractor may have access may contain individual federal tax information, personal protected health information and other individually identifiable information protected by State or federal law. In addition to the provisions of this Section, the Party shall execute the HIPAA Business Associate Agreement attached as Attachment E. Before receiving or controlling State Data, the Party shall have an information security policy that protects its systems and processes and media that may contain State Data from internal and external security threats and State Data from unauthorized disclosure, and a copy of such policy has been provided to the State. No State Data shall be stored, accessed from, or transferred to any location outside the United States.

Contractor agrees to keep confidential all information received and collected by Contractor in connection with this contract, including, but not limited to Medicaid eligibility data, rebate information, supplemental rebate information, provider enrollment and claims data, 340B program pricing, protected health information including; but not limited to, (1) diagnosis codes, (2) disease information, (3) progress notes, (4) authorization requests, (5) responses to authorization requests, all historical data of the previous contractor, DUR Board information including prospective and retrospective analysis, presentations, and recommendations made to the DUR and decisions by the DUR, minutes, and all internal correspondence between Contractor and DVHA and DUR (“State Data”) unless otherwise instructed by the State. The Contractor agrees not to publish, reproduce, or otherwise divulge any such State Data in whole or in part, in any manner or form or authorize or permit others to do so. Contractor shall take reasonable measures as are necessary to restrict access to State Data in the Contractor’s possession to those employees on his/her staff who must have the information on a “need to know” basis. The Contractor shall promptly notify the State of any request or demand by any court, governmental agency or other person asserting a demand or request for State Data to which the Contractor or any third party hosting service of the Contractor may have access, so that the State may seek an appropriate protective order. The Contractor represents and warrants that it has implemented and it shall maintain during the Term of this Agreement the highest industry standard administrative, technical, and physical safeguards and controls consistent with NIST *Special Publication 800-53* and *Federal Information Processing Standards Publication 200* and designed to (i) ensure the security and confidentiality of State Data; (ii) protect against any anticipated security threats or hazards to the security or integrity of the State Data; and (iii) protect against unauthorized access to or use of State Data. Such measures include at a minimum, as applicable: (1) access controls on information systems, including controls to authenticate and permit access to State Data only to authorized individuals and controls to prevent the Contractor employees from providing State Data to unauthorized individuals who may seek to obtain this information (whether through fraudulent means or otherwise); (2) industry-standard firewall protection; (3) encryption of electronic State Data while in transit from the Contractor networks to external networks; (4) measures to store in a secure fashion all State Data which shall include multiple levels of authentication; (5) dual control procedures, segregation of duties, and pre-employment criminal background checks for employees with responsibilities for or access to State Data; (6) measures to ensure that the State Data shall not be altered or corrupted without the prior written consent of the State; (7) measures to protect against destruction, loss or damage of State Data due to potential environmental hazards, such as fire and water damage; (8) staff training to implement the information security measures; and (9) monitoring of the security of any portions of the Contractor systems that are used in the provision of the services against intrusion on a twenty-four (24) hour a day basis.

- 24) Security Breach Reporting. The Contractor acknowledges that in the performance of its obligations under this Agreement, it shall be a “data collector” pursuant to Chapter 62 of Title 9 of the Vermont Statutes (9 V.S.A. §2430(3)). In addition to the requirements set forth in the Business Associate

Agreement, in the event of any actual or suspected security breach the Contractor either suffers or learns of that either compromises or could compromise State Data in any format or media, whether encrypted or unencrypted (including PII, PHI or ePHI)(for example, but not limited to, physical trespass on a secure facility, intrusion or hacking or other brute force attack on any State environment, loss/theft of a PC or other portable device (laptop, desktop, tablet, smartphone, removable data storage device), loss/theft of printed materials, failure of security policies, etc.) (collectively, a "Security Breach"), and in accordance with 9 V.S.A. §2435(b)(2), the Contractor shall promptly and without unreasonable delay notify appropriate State personnel of such Security Breach.

The Contractor's report shall identify: (i) the nature of the Security Breach, (ii) the State Data used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. The Contractor shall provide such other information, including a written report, as reasonably requested by the State.

The Contractor agrees to comply with all applicable laws that require notification in the event of unauthorized release of personally-identifiable information as they may be amended from time to time, including, but not limited to Chapter 62 of Title 9 of the Vermont Statutes, HIPAA and/or HITECH, or other event requiring notification. In the event of a breach of any of the Contractor's security obligations or other event requiring notification under applicable law ("Notification Event"), the Contractor agrees to assume full responsibility for such notification, and to pay or be liable for the direct reasonable expenses and costs directly arising therefrom (unless the State agrees to assume any such liability) that are, in the State's reasonable determination, required by law; computer forensics and like costs related thereto, including reasonable investigation costs resulting therefrom; and credit monitoring services to affected individuals for a period of time not to exceed one (1) year from the date of the breach in an amount consistent with reasonable market costs for such services.

In addition to any other indemnification obligations in this agreement, the Contractor shall fully indemnify and save harmless the State from any direct costs, loss or damage to the State resulting from a Security Breach or the unauthorized disclosure by the Contractor, its officers, agents, employees, and subcontractors of such State Data.

- 25) Continuity of Performance. In the event of a dispute between the Contractor and the State, each party shall continue to perform its obligations under this Agreement during the resolution of such dispute unless and until this Agreement is terminated in accordance with its terms.
- 26) Audit Requirements. The Contractor shall cause an SSAE 16 Type II audit certification to be conducted annually. The audit results and the Contractor's plan for addressing or resolution of the audit results shall be shared with the State within sixty (60) days of the Contractor's receipt of the audit results. Further, on an annual basis, within 90 days of the end of the Contractor's fiscal year, the Contractor shall transmit its annual audited financial statements to the State.
- 27) Access to State Data: Within ten (10) business days of a request by State and within sixty (60) days after the effective date of termination of this contract, the Contractor shall make available to State a complete and secure (i.e. encrypted and appropriately authenticated) download file of State Data in a format acceptable to State including all schema and transformation definitions and/or delimited text files with documented, detailed schema definitions along with attachments in their native format. *Provided, however,* in the event the Contractor ceases conducting business in the normal course, becomes insolvent,

makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act or any statute of any state relating to insolvency or the protection of rights of creditors, the Contractor shall make commercially reasonable efforts to return all State Data to State control, or, if such return is infeasible, destroy and certify destruction of such State Data; including, but not limited to, making all necessary access to applicable remote systems available to the State for purposes of downloading all State Data.

- 28) Ownership of State Data; User Name Contractor acknowledges and agrees that all State trademarks, trade names, logos and other State identifiers, Internet uniform resource locators, State user name or names, Internet addresses and e-mail addresses obtained or developed pursuant to this Contract shall be the property of State. All content and all property, data and information furnished by or on behalf of the State or any agency, commission or board thereof, to Contractor to facilitate Contractor's performance under the Contract ("State Materials") shall be and remain the sole property of the State and that the Contractor acquires no rights or licenses, including, without limitation, intellectual property rights or licenses, to use State Materials for its own purposes. In no event shall the Contractor claim any security interest in the State Materials.
- 29) Access to State Materials. Within ten (10) business days of a request by State and within sixty (60) days after the effective date of termination of this contract, Contractor shall make available to State a complete and secure (i.e. encrypted and appropriately authenticated) download file of State Materials in a format acceptable to State including all schema and transformation definitions and/or delimited text files with documented, detailed schema definitions along with attachments in their native format. *Provided, however*, in the event the Contractor ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets or avails itself of or becomes subject to any proceeding under the Federal Bankruptcy Act or any statute of any state relating to insolvency or the protection of rights of creditors, the Contractor shall immediately return all State Materials to State control; including, but not limited to, making all necessary access to applicable remote systems available to the State for purposes of downloading all State Materials.
- The Contractor's policies regarding the retrieval of data upon the termination of services have been made available to the State upon execution of this Contract under separate cover. The Contractor shall make commercially reasonable efforts to provide the State with not more than thirty (30) days written notice following any material amendment or modification of such policies. The parties agree that upon termination of this Contract, the Contractor shall, at the choice of the State, either return all the State Materials transferred and the copies thereof to the State or shall destroy all the State Materials and certify to the State that it has done so.
- 30) Back-Up Policies: The Contractor's back-up policies have been made available to the State upon execution of this Contract under separate cover. The Contractor shall make commercially reasonable efforts to provide the State with not more than thirty (30) days written notice following any material amendment or modification of such policies.
- 31) Data Format; Encryption. The Contractor agrees to maintain State Data at rest in SQL Server data files using encryption. Further the Contractor agrees to utilize Transparent Data Encryption with a minimum of AES 128 bit encryption strength. The Contractor agrees to maintain State Data in motion using Secure File Transfer Protocols (sFTP). Further the Contractor agrees to utilize DSA or RSA standards with a minimum of 1024 bit encryption. GHS will ensure that any storage and encryption

methods comply with all applicable state and federal standards.

- 32) Contractor Bankruptcy. Contractor acknowledges that if Contractor, as a debtor in possession, or a trustee in bankruptcy in a case under Section 365(n) of Title 11, United States Code (the "Bankruptcy Code"), rejects this Contract, the State may elect to retain its rights under this Contract as provided in Section 365(n) of the Bankruptcy Code. Upon written request of the State to Contractor or the Bankruptcy Trustee, Contractor or such Bankruptcy Trustee shall not interfere with the rights of the State as provided in this Contract, including the right to obtain the State Materials.

ATTACHMENT E

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (“AGREEMENT”) IS ENTERED INTO BY AND BETWEEN THE STATE OF VERMONT AGENCY OF HUMAN SERVICES, OPERATING BY AND THROUGH ITS DEPARTMENT OF VERMONT HEALTH ACCESS (“COVERED ENTITY”) AND GOOLD HEALTH SYSTEMS (“BUSINESS ASSOCIATE”) AS OF MAY 1, 2014 (“EFFECTIVE DATE”). THIS AGREEMENT SUPPLEMENTS AND IS MADE A PART OF THE CONTRACT/GRANT TO WHICH IT IS ATTACHED.

Covered Entity and Business Associate enter into this Agreement to comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), including the Standards for the Privacy of Individually Identifiable Health Information, at 45 CFR Parts 160 and 164 (“Privacy Rule”), and the Security Standards, at 45 CFR Parts 160 and 164 (“Security Rule”), as amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act (HITECH), and any associated federal rules and regulations.

The parties agree as follows:

1. **Definitions.** All capitalized terms used but not otherwise defined in this Agreement have the meanings set forth in 45 CFR Parts 160 and 164 as amended by HITECH and associated federal rules and regulations.

“Agent” means those person(s) who are agents(s) of the Business Associate, in accordance with the Federal common law of agency, as referenced in 45 CFR § 160.402(c).

“Breach” means the acquisition, access, use or disclosure of protected health information (PHI) which compromises the security or privacy of the PHI, except as excluded in the definition of Breach in 45 CFR § 164.402.

“Business Associate shall have the meaning given in 45 CFR § 160.103.

“Individual” includes a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

“Protected Health Information” or PHI shall have the meaning given in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of Agency.

“Security Incident” means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information or interference with system operations in an information system.

“Services” includes all work performed by the Business Associate for or on behalf of Covered Entity that requires the use and/or disclosure of protected health information to perform a business associate function described in 45 CFR § 160.103 under the definition of Business Associate.

“Subcontractor” means a person or organization to whom a Business Associate delegates a function, activity or service, other than in the capacity of a member of the workforce of the Business Associate. For purposes of this Agreement, the term Subcontractor includes Sub grantees.

2. **Identification and Disclosure of Privacy and Security Offices.** Business Associate shall provide (on its own behalf and on behalf of any Subcontractor(s), within ten (10) days of the execution of this agreement, written notice to the Covered Entity’s contract/grant manager the names and contact information of both the HIPAA Privacy Officer and HIPAA Security Officer. This information must be

updated any time either of these contacts changes.

3. **Permitted and Required Uses/Disclosures of PHI.**

3.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform Services, as specified in the underlying grant or contract with Covered Entity. The uses and disclosures of Business Associate are limited to the minimum necessary, to complete the tasks or to provide the services associated with the terms of the underlying agreement. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

3.2 Business Associate may make PHI available to its employees who need access to perform Services provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions. Business Associate may only disclose PHI for the purposes authorized by this Agreement: (a) to its agents and Subcontractors in accordance with Sections 10 and 18 or, (b) as otherwise permitted by Section 3.

3.3 Business Associate shall be directly liable under HIPAA for impermissible uses and disclosures of the PHI it handles on behalf of Covered Entity, and for impermissible uses and disclosures, by Business Associate's Subcontractor(s), of the PHI that Business Associate handles on behalf of Covered Entity and that it passes on to Subcontractors.

4. **Business Activities.** Business Associate may use PHI received in its capacity as a Business Associate to Covered Entity if necessary for Business Associate's proper management and administration or to carry out its legal responsibilities. Business Associate may disclose PHI received in its capacity as Business Associate to Covered Entity for Business Associate's proper management and administration or to carry out its legal responsibilities if a disclosure is Required by Law or if Business Associate obtains reasonable written assurances via a written agreement from the person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the Agreement requires the person or entity to notify Business Associate, within two (2) business days (who in turn will notify Covered Entity within five (5) business days after receiving notice of a Breach as specified in Section 6.1), in writing of any Breach of Unsecured PHI of which it is aware. Uses and disclosures of PHI for the purposes identified in Section 3 must be of the minimum amount of PHI necessary to accomplish such purposes.

5. **Safeguards.** Business Associate, its Agent(s) and Subcontractor(s) shall implement and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement. With respect to any PHI that is maintained in or transmitted by electronic media, Business Associate or its Subcontractor(s) shall comply with 45 CFR sections 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards) and 164.316 (policies and procedures and documentation requirements). Business Associate (on its own behalf and on behalf of its Agent(s) and Subcontractor(s)) shall identify in writing upon request from Covered Entity all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.

6. **Documenting and Reporting Breaches.**

6.1 Business Associate shall report to Covered Entity any Breach of Unsecured PHI, including Breaches reported to it by a Subcontractor, as soon as it (or any of its employees or agents) becomes aware of any such Breach, and in no case later than five (5) business days after it (or any of its employees or agents) becomes aware of the Breach, except when a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security.

6.2 Business Associate shall provide Covered Entity, to the extent possible, with the names of the individuals whose Unsecured PHI has been, or is reasonably believed to have been, the subject of the Breach and any other available information that is required to be given to the affected individuals, as set forth in 45 CFR § 164.404(c), and, if requested by Covered Entity, information necessary for Covered Entity to investigate the impermissible use or disclosure. Business Associate shall continue to provide to Covered Entity information concerning the Breach as it becomes available to it. Business Associate shall require its Subcontractor(s) to agree to these same terms and conditions.

6.3 When Business Associate determines that an impermissible acquisition, use or disclosure of PHI by a member of its workforce is not a Breach, as that term is defined in 45 CFR § 164.402, and therefore does not necessitate notice to the impacted individual(s), it shall document its assessment of risk, conducted as set forth in 45 CFR § 402(2). When requested by Covered Entity, Business Associate shall make its risk assessments available to Covered Entity. It shall also provide Covered Entity with 1) the name of the person(s) making the assessment, 2) a brief summary of the facts, and 3) a brief statement of the reasons supporting the determination of low probability that the PHI had been compromised. When a breach is the responsibility of a member of its Subcontractor's workforce, Business Associate shall either 1) conduct its own risk assessment and draft a summary of the event and assessment or 2) require its Subcontractor to conduct the assessment and draft a summary of the event. In either case, Business Associate shall make these assessments and reports available to Covered Entity.

6.4 Business Associate shall require, by contract, a Subcontractor to report to Business Associate and Covered Entity any Breach of which the Subcontractor becomes aware, no later than two (2) business days after it becomes aware of the Breach.

7. **Mitigation and Corrective Action.** Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of an impermissible use or disclosure of PHI, even if the impermissible use or disclosure does not constitute a Breach. Business Associate shall draft and carry out a plan of corrective action to address any incident of impermissible use or disclosure of PHI. If requested by Covered Entity, Business Associate shall make its mitigation and corrective action plans available to Covered Entity. Business Associate shall require any Subcontractor to agree to these same terms and conditions.
8. **Responsibilities of Covered Entity.** With regard to PHI created or received by Business Associate on behalf of or from Covered Entity, Covered Entity agrees: (i) to obtain any consent, authorization or permission that is required by the Privacy Rule prior to furnishing Business Associate the PHI pertaining to an individual; and (ii) that it will not furnish Business Associate PHI that is subject to any arrangement agreed to by Covered Entity under 45 C.F.R. § 164.522 that may impact in any manner the use and/or disclosure of PHI by the Business Associate under this Agreement and the Contract(s).
9. **Providing Notice of Breaches.**
 - 9.1 If Covered Entity determines that an impermissible acquisition, access, use or disclosure of PHI for which one of Business Associate's employees or agents was responsible constitutes a Breach as defined in 45 CFR § 164.402, and if requested by Covered Entity, Business Associate shall provide notice to the individual(s) whose PHI has been the subject of the Breach. When requested to provide notice, Business Associate shall consult with Covered Entity about the timeliness, content and method of notice, and shall receive Covered Entity's approval concerning these elements. The cost of such notice and related remedies shall be borne by Business Associate.
 - 9.2 If Covered Entity or Business Associate determines that an impermissible acquisition, access, use or disclosure of PHI by a Subcontractor of Business Associate constitutes a Breach as defined in 45 CFR § 164.402, and if requested by Covered Entity or Business Associate, Subcontractor shall provide

notice to the individual(s) whose PHI has been the subject of the Breach. When Covered Entity requests that Business Associate or its Subcontractor provide notice, Business Associate shall either 1) consult with Covered Entity about the specifics of the notice as set forth in section 9.1, above, or 2) require, by contract, its Subcontractor to consult with Covered Entity about the specifics of the notice as set forth in section 9.1

9.3 The notice to affected individuals shall be provided as soon as reasonably possible and in no case later than 60 calendar days after Business Associate reported the Breach to Covered Entity.

9.4 The notice to affected individuals shall be written in plain language and shall include, to the extent possible, 1) a brief description of what happened, 2) a description of the types of Unsecured PHI that were involved in the Breach, 3) any steps individuals can take to protect themselves from potential harm resulting from the Breach, 4) a brief description of what the Business Associate is doing to investigate the Breach, to mitigate harm to individuals and to protect against further Breaches, and 5) contact procedures for individuals to ask questions or obtain additional information, as set forth in 45 CFR § 164.404(c).

9.5 Business Associate shall notify individuals of Breaches as specified in 45 CFR § 164.404(d) (methods of individual notice). In addition, when a Breach involves more than 500 residents of Vermont, Business Associate shall, if requested by Covered Entity, notify prominent media outlets serving Vermont, following the requirements set forth in 45 CFR § 164.406.

10. **Agreements with Subcontractors.** Business Associate shall enter into a Business Associate Agreement with any Subcontractor to whom it provides PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity in which the Subcontractor agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. Business Associate must enter into this Business Associate Agreement before any use by or disclosure of PHI to such agent. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of PHI. Business Associate shall provide a copy of the Business Associate Agreement it enters into with a subcontractor to Covered Entity upon request. Business associate may not make any disclosure of PHI to any Subcontractor without prior written consent of Covered Entity.
11. **Access to PHI.** Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity to meet the requirements under 45 CFR § 164.524. Business Associate shall provide such access in the time and manner reasonably designated by Covered Entity. Within five (5) business days, Business Associate shall forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.
12. **Amendment of PHI.** Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR § 164.526, whether at the request of Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Within five (5) business days, Business Associate shall forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.
13. **Accounting of Disclosures.** Business Associate shall document disclosures of PHI and all information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. Business Associate shall provide such information to Covered Entity, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Within five (5) business days, Business Associate shall

forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.

14. **Books and Records.** Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its internal practices, books, and records (including policies and procedures and PHI) relating to the use and disclosure of PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity available to the Secretary in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity, upon Covered Entity's request, in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.
15. **Termination.**
 - 15.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity or until all of the PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity subject to Section 19.8.
 - 15.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach and Covered Entity may terminate the contract or grant without liability or penalty if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate the contract or grant without liability or penalty if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under the contract or grant, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.
16. **Return/Destruction of PHI.**
 - 16.1 Business Associate in connection with the expiration or termination of the contract or grant shall return or destroy, at the discretion of the Covered Entity, all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity pursuant to this contract or grant that Business Associate still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of the PHI. Business Associate shall certify in writing for Covered Entity (1) when all PHI has been returned or destroyed and (2) that Business Associate does not continue to maintain any PHI. Business Associate is to provide this certification during this thirty (30) day period.
 - 16.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered Entity agrees that return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI. This shall also apply to all Agents and Subcontractors of Business Associate.
17. **Penalties and Training.** Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by Covered Entity, Business Associate shall participate in training regarding the use, confidentiality, and security of PHI.

18. **Security Rule Obligations.** The following provisions of this section apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.

18.1 Business Associate shall implement and use administrative, physical, and technical safeguards in compliance with 45 CFR sections 164.308, 164.310, and 164.312 with respect to the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to protect such Electronic PHI.

18.2 Business Associate shall ensure that any Agent and Subcontractor to whom it provides Electronic PHI agrees in a written agreement to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into this written agreement before any use or disclosure of Electronic PHI by such Agent or Subcontractor. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of Electronic PHI. Upon request, Business Associate shall provide a copy of the written agreement to Covered Entity within a reasonable period of time. Business Associate may not make any disclosure of Electronic PHI to any Agent or Subcontractor without the prior written consent of Covered Entity.

18.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an Agent or Subcontractor). Business Associate shall provide this written report as soon as it becomes aware of any such Security Incident, and in no case later than five (5) business days after it becomes aware of the incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.

18.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule, provided that such policies and procedures (including any updated policies and procedures, promptly following such updates) are made available by Covered Entity to Business Associate.

19. **Miscellaneous.**

19.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the contract/grant, the terms of this Agreement shall govern with respect to its subject matter. Otherwise, the terms of the contract/grant continue in effect.

19.2 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.

19.3 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.

19.4 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule, and the HIPAA omnibus final rule) in construing the meaning and effect of this Agreement.

19.5 As between Business Associate and Covered Entity, Covered Entity owns all PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity.

19.6 Business Associate shall abide by the terms and conditions of this Agreement with respect to all PHI it receives from Covered Entity or creates or receives on behalf of Covered Entity even if some of

that information relates to specific services for which Business Associate may not be a “Business Associate” of Covered Entity under the Privacy Rule.

19.7 Business Associate is prohibited from directly or indirectly receiving any remuneration in exchange for an individual’s PHI. Business Associate will refrain from marketing activities that would violate HIPAA, including specifically Section 13406 of the HITECH Act. Reports or data containing the PHI may not be sold without Agency’s or the affected individual’s written consent.

19.8 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for Business Associate to return or destroy PHI as provided in Section 16.2 and (b) the obligation of Business Associate to provide an accounting of disclosures as set forth in Section 13 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.

(Rev: 9/21/13)

ATTACHMENT F
AGENCY OF HUMAN SERVICES' CUSTOMARY CONTRACT PROVISIONS

1. **Agency of Human Services – Field Services Directors** shall share oversight with the department (or field office) that is a party to the contract for provider performance using outcomes, processes, terms and conditions agreed to under this contract.
2. **2-1-1 Data Base:** The Contractor providing a health or human services within Vermont, or near the border that is readily accessible to residents of Vermont, shall provide relevant descriptive information regarding its agency, programs and/or contact and shall adhere to the "Inclusion/Exclusion" policy of Vermont's United Way/Vermont 211. If included, the Contractor shall provide accurate and up to date information to their data base as needed. The "Inclusion/Exclusion" policy can be found at www.vermont211.org
3. **Medicaid Program Contractors:**

Inspection of Records: Any contracts accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid program must fulfill state and federal legal requirements to enable the Agency of Human Services (AHS), the United States Department of Health and Human Services (DHHS) and the Government Accounting Office (GAO) to:

Evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed; and Inspect and audit any financial records of such Contractor or subcontractor.

Subcontracting for Medicaid Services: Having a subcontract does not terminate the Contractor, receiving funds under Vermont's Medicaid program, from its responsibility to ensure that all activities under this agreement are carried out. Subcontracts must specify the activities and reporting responsibilities of the Contractor or subcontractor and provide for revoking delegation or imposing other sanctions if the Contractor or subcontractor's performance is inadequate. The Contractor agrees to make available upon request to the Agency of Human Services; the Department of Vermont Health Access; the Department of Disabilities, Aging and Independent Living; and the Center for Medicare and Medicaid Services (CMS) all contracts and subcontracts between the Contractor and service providers.

Medicaid Notification of Termination Requirements: Any Contractor accessing payments for services under the Global Commitment to Health Waiver and Medicaid programs who terminates their practice shall follow the Department of Vermont Health Access, Managed Care Organization enrollee notification requirements.

Encounter Data: Any Contractor accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid programs must provide encounter data to the Agency of Human Services and/or its departments and ensure that it can be linked to enrollee eligibility files maintained by the State.

Federal Medicaid System Security Requirements Compliance: All contractors and subcontractors must provide a security plan, risk assessment, and security controls review document within three months of the start date of this agreement (and update it annually thereafter) to support audit compliance with 45CFR95.621 subpart F, *ADP (Automated Data Processing) System Security Requirements and Review Process*.

4. **Non-discrimination Based on National Origin as evidenced by Limited English Proficiency.** The Contractor agrees to comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive

Order 13166 of 2000, which require that contractors and subcontractors receiving federal funds must assure that persons with limited English proficiency can meaningfully access services. To the extent the Contractor provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services in compliance with this requirement, such individuals cannot be required to pay for such services.

5. **Voter Registration.** When designated by the Secretary of State, the Contractor agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of state and federal law pertaining to such agencies.
6. **Drug Free Workplace Act.** The Contractor shall assure a drug-free workplace in accordance with 45 CFR Part 76.
7. **Privacy and Security Standards.**

Protected Health Information: The Contractor shall maintain the privacy and security of all individually identifiable health information acquired by or provided to it as a part of the performance of this contract. The Contractor shall follow federal and state law relating to privacy and security of individually identifiable health information as applicable, including the Health Insurance Portability and Accountability Act (HIPAA) and its federal regulations.

Substance Abuse Treatment Information: The confidentiality of any alcohol and drug abuse treatment information acquired by or provided to the Contractor or subcontractor shall be maintained in compliance with any applicable state or federal laws or regulations and specifically set out in 42 CFR Part 2.

Other Confidential Consumer Information: The Contractor agrees to comply with the requirements of AHS Rule No. 08-048 concerning access to information. The Contractor agrees to comply with any applicable Vermont State Statute, including but not limited to 12 VSA §1612 and any applicable Board of Health confidentiality regulations. The Contractor shall ensure that all of its employees and subcontractors performing services under this agreement understand the sensitive nature of the information that they may have access to and sign an affirmation of understanding regarding the information's confidential and non-public nature.

Social Security numbers: The Contractor agrees to comply with all applicable Vermont State Statutes to assure protection and security of personal information, including protection from identity theft as outlined in Title 9, Vermont Statutes Annotated, Ch. 62.

8. **Abuse Registry.** The Contractor agrees not to employ any individual, use any volunteer, or otherwise provide reimbursement to any individual in the performance of services connected with this agreement, who provides care, custody, treatment, transportation, or supervision to children or vulnerable adults if there is a substantiation of abuse or neglect or exploitation against that individual. The Contractor shall check the Adult Abuse Registry in the Department of Disabilities, Aging and Independent Living. Unless the Contractor holds a valid child care license or registration from the Division of Child Development, Department for Children and Families, the Contractor shall also check the Central Child Protection Registry. (See 33 V.S.A. §4919(a)(3) & 33 V.S.A. §6911(c)(3)).
9. **Reporting of Abuse, Neglect, or Exploitation.** Consistent with provisions of 33 V.S.A. §4913(a) and §6903, any agent or employee of a Contractor who, in the performance of services connected with this agreement, has contact with clients or is a caregiver and who has reasonable cause to believe that a child or vulnerable adult has been abused or neglected as defined in Chapter 49 or abused, neglected, or exploited as defined in Chapter 69 of Title 33 V.S.A. shall make a report involving children to the Commissioner of the Department for Children and Families within 24 hours or a report involving vulnerable adults to the Division of Licensing and Protection at the

Department of Disabilities, Aging, and Independent Living within 48 hours. This requirement applies except in those instances where particular roles and functions are exempt from reporting under state and federal law. Reports involving children shall contain the information required by 33 V.S.A. §4914. Reports involving vulnerable adults shall contain the information required by 33 V.S.A. §6904. The Contractor shall ensure that its agents or employees receive training on the reporting of abuse or neglect to children and abuse, neglect or exploitation of vulnerable adults.

10. Intellectual Property/Work Product Ownership. All data, technical information, materials first gathered, originated, developed, prepared, or obtained as a condition of this agreement and used in the performance of this agreement - including, but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement - or are a result of the services required under this grant - shall be considered "work for hire" and remain the property of the State of Vermont, regardless of the state of completion - unless otherwise specified in this agreement. Such items shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and / or source codes first developed for the State, all the work shall be considered "work for hire," i.e., the State, not the Contractor or subcontractor, shall have full and complete ownership of all software computer programs, documentation and/or source codes developed.

The Contractor shall not sell or copyright a work product or item produced under this agreement without explicit permission from the State.

If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor's materials.

11. Security and Data Transfers. The State shall work with the Contractor to ensure compliance with all applicable State and Agency of Human Services' policies and standards, especially those related to privacy and security. The State shall advise the Contractor of any new policies, procedures, or protocols developed during the term of this agreement as they are issued and shall work with the Contractor to implement any required.

The Contractor shall ensure the physical and data security associated with computer equipment - including desktops, notebooks, and other portable devices - used in connection with this agreement. The Contractor shall also assure that any media or mechanism used to store or transfer data to or from the State includes industry standard security mechanisms such as continually up-to-date malware protection and encryption. The Contractor shall make every reasonable effort to ensure media or data files transferred to the State are virus and spyware free. At the conclusion of this agreement and after successful delivery of the data to the State, the Contractor shall securely delete data (including archival backups) from the Contractor's equipment that contains individually identifiable records, in accordance with standards adopted by the Agency of Human Services.

12. Computing and Communication: The Contractor shall select, in consultation with the Agency of Human Services' Information Technology unit, one of the approved methods for secure access to the State's systems and data, if required. Approved methods are based on the type of work performed by the Contractor as part of this agreement. Options include, but are not limited to:

1. Contractor's provision of certified computing equipment, peripherals and mobile devices, on a separate Contractor's network with separate internet access. The Agency of Human Services' accounts may or may

not be provided.

2. State supplied and managed equipment and accounts to access state applications and data, including State issued active directory accounts and application specific accounts, which follow the National Institutes of Standards and Technology (NIST) security and the Health Insurance Portability & Accountability Act (HIPAA) standards. The State acknowledges and agrees it will work collaboratively with Contractor, where reasonably practicable, to enable Contractor to follow the foregoing standards.

The State shall not supply e-mail accounts to the Contractor.

13. **Lobbying.** No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.
14. **Non-discrimination.** The Contractor shall prohibit discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, or on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. No person shall on the grounds of sex (including, in the case of a woman, on the grounds that the woman is pregnant) or on the grounds of religion, be excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by state and/or federal funds.

The Contractor shall also not refuse, withhold from or deny to any person the benefit of services, facilities, goods, privileges, advantages, or benefits of public accommodation on the basis of disability, race, creed, color, national origin, marital status, sex, sexual orientation or gender identity under Title 9 V.S.A. Chapter 139.

15. **Environmental Tobacco Smoke.** Public Law 103-227, also known as the Pro-children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, child care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds.

The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, & Children (WIC) coupons are redeemed.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

Contractors are prohibited from promoting the use of tobacco products for all clients. Facilities supported by state and federal funds are prohibited from making tobacco products available to minors.

16. **Set Off:** The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

17. Taxes Due to the State:

- e. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- f. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- g. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

18. Child Support: (Applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

- a. is not under any obligation to pay child support; or
- b. is under such an obligation and is in good standing with respect to that obligation; or
- c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

19. Sub-Agreements: Party shall not assign, subcontract or subgrant the performance of his Agreement or any portion thereof to any other Party without the prior written approval of the State. Party also agrees to include in subcontract or subgrant agreements a tax certification in accordance with paragraph 13 above.

Notwithstanding the foregoing, the State agrees that the Party may assign this agreement, including all of the Party's rights and obligations hereunder, to any successor in interest to the Party arising out of the sale of or reorganization of the Party.

**ATTACHMENT G
REQUIRED FORMS
DEPARTMENT OF VERMONT HEALTH ACCESS
REQUEST FOR APPROVAL TO SUBCONTRACT**

Date of Request: _____

Original Grantee Name:	Grantee #:
Address:	
Phone Number:	
Contact Person:	
Agreement #:	Signature: _____

Subcontractor Name: _____

Address: _____

Phone Number: _____

Contact Person: _____

Scope of Subcontracted Services: _____

Is any portion of the work being outsourced outside of the United States? **YES** **NO**
(Note to Business Office: If Yes, do not proceed further with approval until reviewed with Finance & Mgmt)

Dollar Amount of Subcontracted Services: \$ _____

Date Range for Subcontracted Services: Start: _____ End: _____

DVHA Program Manager:	Signature: _____
Phone Number: _____	

Business Office Review

Comments: _____

Approval: _____ **Title:** _____ **Date:** _____

CONTRACT #
TASK ORDER 001 [NUMBERED CONSECUTIVELY]

Task Title:		
Contractor:		
Contract #:		
Effective Dates:		
Cost:		
Funding Source:	<i>[CFDA # if different than original]</i>	Budget Approval _____ (Initials)

1. **Scope of Work**

2. **Deliverables**

3. **Payment Provisions**

Include number of CSRs that will be required to complete this task

Approval:

[Contractor]	[Contact person]	
Approval Signature		Date
DVHA Business Lead:	[Contact Person]	
Approval Signature		Date
DVHA Contract Administrator	[Contact Person]	
Approval Signature		Date

Comments: _____

Must be signed by all parties prior to commencement of work

ATTACHMENT H GLOSSARY OF TERMS

TERM	ACRONYM or ABBREVI- ATION	DEFINITION
A/B Rated		Drug products made by different distributors and/or re-packagers that are considered therapeutically equivalent based on demonstrated bioequivalence.
Abuse		Incidents or practices that are inconsistent with accepted medical, business, or fiscal procedures.
ACCESS		State of Vermont's current Integrated Eligibility System
Account Team		Contractor staff members who are assigned to the State of Vermont, including the Account Manager, Account Director, Data Analyst and Clinical Pharmacist.
Ad Hoc Query/Report		Queries/reports created by users to obtain information for a specific need as it arises
AHS- Agency of Human Services		Vermont's agency that administered the majority of the State's health and human services programs. AHS is the State's Single Medicaid Agency
Aids Drug Assistance Program	ADAP	Special pharmacy program covers certain drugs for eligible individuals with HIV/AIDS. ADAP is funded through Title II of the Federal Social Security Act. In Vermont, this program is called the Vermont AIDS Medication and Assistance Program (VMAP)
Allowable Charge		Specific dollar amount of a medical claim Medicaid will pay.
Appeal		The process for reconsideration of a denied claim or prior authorization.
Authorization		Official approval for action taken for, or on behalf of, a Medicaid client. This approval is only valid if the client is eligible on the date of service.
Authorized Prescriber		Physician, osteopath, dentist, nurse, physician assistant, optometrist, naturopath, or other person duly authorized to prescribe drugs.
Average Manufacturer Price	AMP	Average price paid to manufacturers by wholesalers for drugs distributed to the retail pharmacy.
Average Wholesale Price	AWP	Average of list prices charged by wholesalers to pharmacies.
Bank Identification Number	BIN	Bank Identification Number is the identifier number for the payer.
Beneficiary		Another term for member: An individual eligible and enrolled in one or more State benefit plans.
Blue Book		A database of drugs that is updated weekly by First DataBank (FDB). http://www.firstdatabank.com
Brand Name		Proprietary or trade name selected by the manufacturer and

		placed upon a drug, its container, label, or wrapping at the time of packaging.
Business Intelligence	BI	The process or capability of gathering information in the field of business; the process of turning data into information and then into knowledge.
Center for Medicare and Medicaid Innovation	CMMI	Part of CMS; supports the development and testing of innovative health care payment and service delivery models
Center for Medicare and Medicaid Services	CMS	Administers the Medicare and Medicaid programs. Formerly the Health Care Financing Administration (HCFA).
Chemical Name		The chemical name is a proper scientific name for an ingredient of a product.
Chief Information Officer	CIO	The State position overseeing the Department of Information and Innovation
Claim		Information submitted to insurers requesting payment for covered services.
Clinical Pharmacist		The clinical pharmacist member of the Contractor's Account Team, providing oversight of clinical issues as forth in this contract.
Clinical Criteria Manual	CCM	An expanded version of the State's PDL that specifies clinical criteria that needs to be met for a medication to be covered.
CMS Seven Standards and Conditions		Under sections 1903(a)(3)(A)(i) and 1903(a)(3)(B) of the Social Security Act, the Centers for Medicare & Medicaid Services (CMS) has issued new standards and conditions that must be met by the states in order for Medicaid technology investments (including traditional claims processing systems, as well as eligibility systems) to be eligible for the enhanced match funding. The final regulation establishing these standards and conditions was made public on April 14, 2011 at http://www.regulations.gov/#!searchResults;rpp=10;po=70;s=CMS-2010-0251 . Source: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/Downloads/EFR-Seven-Conditions-and-Standards.pdf
Compound Drug		A prescription drug prepared by a pharmacist using at least two or more active ingredients.
Compounding		Combining two or more active ingredients or adjusting therapeutic strengths in the preparation of a prescription.
Contractor		Goold Health Systems (GHS)
Contractor Account Team		Account Manager, Clinical Pharmacist, Account Director and Data Manager, who have been assigned to manage the operations of this Contract for its duration.

Contractor Key Personnel		Same as Account Team
Coordination of Benefits	COB	This is the process by which the State determines if it should be the primary, secondary or tertiary payer of pharmacy claims for a beneficiary who has coverage from more than one health insurance company.
Co-payment		Participant's financial responsibility for a prescription assigned by Medicaid. Unless exempt, recipients must pay a copay depending on the cost of the drug. Exempt recipients include residents of a nursing facility, pregnant clients, clients under the age of 21, and family planning services.
Current Procedural Terminology	CPT	CPT® is a trademark of the American Medical Association
Dashboards		Display of Key Performance Indicators (KPIs) or business metrics using intuitive visualization, including dials, gauges and traffic lights that indicate the state of various KPIs against targets.
Data Mart		Analytical data stores, usually part of a data warehouse, that are designed to focus on specific business functions for a specific community within an organization
Data Warehouse		A repository of an organization's electronically stored data, designed to facilitate reporting and analysis
Date of Service (DOS)	DOS	The calendar date on which a specific medical or drug service is performed.
Day Supply	DS	Day supply of tablets, capsules, fluids (cc's), etc., prescribed for the recipient. Day supply is the total number of days a patient's prescription lasts when taken as directed, not the duration of treatment.
Deliverable Expectations Document :	DED	A document approved by the State to guide the development of deliverables created by a Vendor.
Department of Information and Innovation	DII	The State department overseeing technology and technology implementations.
Department of Vermont Health Access	DVHA	The State department which administers nearly all of the publically funded health care programs for the State of Vermont
Design, Development and Implementation	DDI	The period of time when a project is under the design, development and implantation phase.
Device		Equipment or apparatus used to remedy or compensate for a physical deficiency, e.g., a prosthetic device.
Dispensed As Written	DAW	Codes to be used by providers to explain the dispensing of a brand-name product instead of a generic one.
Dispensing Fee	DF	Amount of Medicaid reimbursement authorized as payment for the service of dispensing any prescribed drug.
Drug Efficacy Study	DESI	Drugs determined by the FDA as lacking substantial

Implementation		evidence of effectiveness. If the index is low, the drug is classified as "less than effective".
Drug Enforcement Administration Number	DEA Number	Federal registry number used to identify a prescriber.
Drug Utilization Review	DUR	Program designed to measure and assess (prospectively and retrospectively) the proper use of outpatient drugs in the Medicaid program. Primary objective of the DUR systems are to improve the quality of care and to assist in containing health care costs. Prospective DUR is a system within the Pharmacy point-of-sale (POS) system that assists pharmacy providers in screening selected drug categories for clinically important potential drug therapy problems before the prescription is dispensed to the recipient. Retrospective DUR screens after the prescription has been dispensed to the recipient through drug profiling and peer grouping.
Drug Utilization Review Board	DUR Board	Group of actively practicing healthcare professionals responsible for the establishment and implementation of medical standards and criteria for the prospective and retrospective DUR programs. The DUR Board makes recommendations for education interventions to prescribers and pharmacists to identify and reduce patterns of fraud, abuse, gross overuse, and inappropriate or medically unnecessary care. This group is also responsible for making recommendations for coverage of drugs and placement in the State's Preferred Drug List.
Dual Eligible	DE	Medicaid recipients who are also eligible for health benefit under Medicare or other public-sponsored health program.
Durable Medical Equipment	DME	Medical equipment used repeatedly in the treatment of illness and injury. These items may be reusable, such as walkers or wheelchairs.
Electronic Health Record	EHR	An Electronic Health Record (EHR) is an electronic version of a patient's medical history, that is maintained by the provider over time, and may include all of the key administrative clinical data relevant to that persons care under a particular provider, including demographics, progress notes, problems, medications, vital signs, past medical history, immunizations, laboratory data and radiology reports http://cms.hhs.gov/Medicare/E-Health/EHealthRecords/index.html
EHR Prior Authorization	EHR-PA	The process by which a prior authorization is submitted electronically through the prescriber's electronic health record.
Enterprise Architecture	EA	The competency of integrating business, information, application and technology to a cohesive goal.
Enterprise Service	ESB	A software construct found in a Service-Oriented

Bus		Architecture that provides fundamental services via a messaging engine.
Epocrates		Epocrates provides clinicians with immediate access to drug, disease and diagnostic information in a concise and convenient format. Medicaid's PDL can be accessed through Epocrates.
Extract, Transform, Load	ETL	A process for transitioning data from one system to another.
Fair Hearing, Grievance , Appeal		<p><u>Fair Hearing, Grievance, Appeal</u>, CFR §438.400 Statutory basis and definitions and §431.200 Basis and scope</p> <p>CFR §438.400 Statutory basis and definitions</p> <p><i>Appeal</i> means a request for review of an action, as “action” is defined in this section.</p> <p><i>Grievance</i> means an expression of dissatisfaction about any matter other than an action, as “action” is defined in this section. The term is also used to refer to the overall system that includes grievances and appeals handled at the MCO or PIHP level and access to the State fair hearing process. (Possible subjects for grievances include, but are not limited to, the quality of care or services provided, and aspects of interpersonal relationships such as rudeness of a provider or employee, or failure to respect the enrollee's rights.)</p> <p>§431.200 Basis and scope.</p> <p>Fair Hearing: (b) Prescribes procedures for an opportunity for a hearing if the State agency or PAHP takes action, as stated in this subpart, to suspend, terminate, or reduce services, or an MCO or PIHP takes action under subpart F of part 438 of this chapter.</p>
Federal Drug Rebates		Payment made by pharmaceutical manufacturers to the states, for drugs dispensed to Medicaid recipients, as a condition of participating in the Federal Drug Rebate Program
Federal Upper Limit	FUL	Maximum payment for a multiple source drug in a State Medicaid Program, as established by CMS for certain multiple source drugs.
Fiscal Agents		The Medicaid fiscal agent is under contract to certify providers, process medical claims, pay pharmacy and medical claims, issue identification cards to recipients, and publish information for providers and members. The State’s fiscal agent is Hewlett-Packard.
File Transfer Protocol	FTP	A standard network protocol used to copy a file from one host to another.
Fill Date		Date a prescription was filled.
Food & Drug	FDA	United States Department of Health and Human Services

Administration		agency responsible for regulating food, dietary supplements, drugs, biological medical products, blood products, medical devices, radiation-emitting devices, veterinary products, and cosmetics in the United States.
Federal Information Security Management Act	FISMA	The E-Government Act (Public Law 107-347) passed by the 107th Congress and signed into law by the President in December 2002 recognized the importance of information security to the economic and national security interests of the United States. Title III of the E-Government Act, entitled the Federal Information Security Management Act (FISMA) requires each federal agency to develop, document, and implement an agency-wide program to provide information security for the information and information systems that support the operations and assets of the agency, including those provided or managed by another agency, contractor, or other source. Source: http://csrc.nist.gov/groups/SMA/fisma/overview.html
Generic Code Number	GCN	Number used to identify generic formulation of a drug.
Generic Drug		Identical or bioequivalent to a brand name drug in dosage form, safety, strength, route of administration, quality, performance, characteristics, and intended use. Generic drugs usually cost less than brand-name drugs and are required by the Food and Drug Administration (FDA) to be as safe and as effective as the brand-name drug.
Generic Name		Official title of a drug or drug ingredients published in the latest edition of a pharmacopeia or formulary.
Generic Sequence Number	GSN	Generic Sequence Number GSN uniquely identifies a product/formulation specific to its agent, dosage form, and strength, and route of administration. It is not unique across manufacturers and/or package sizes. The GSN is used to group generically equivalent pharmaceutical products.
Government Accounting Office	GAO	A Federal office initially charge to investigate, at the seat of government or elsewhere, all matters relating to the receipt, disbursement, and application of public funds, and shall make to the President ... and to Congress ... reports [and] recommendations looking to greater economy or efficiency in public expenditures.
Health and Human Services	HHS	The general term used to describe services provided by AHS.
Health Information Technology for Economic and Clinical Health Act	HITECH	The Health Information Technology for Economic and Clinical Health Act was enacted under Title XIII of the American Recovery and Reinvestment Act of 2009 (Pub.L. 111–5). Under the HITECH Act, the United States Department of Health and Human Services is spending \$25.9 billion to promote and expand the adoption of health

		information technology.
Health Insurance Portability and Accounting Act	HIPAA	Federal act designed to increase efficiency of the health care system by establishing standards for transmission, storage, and handling of data.
Healthcare Common Procedure Coding System	HCPCS	Set of health care procedure codes based on the American Medical Association's Current Procedural Terminology (CPT). Commonly pronounced “ <i>Hick-Picks</i> ”.
Health Services Enterprise	HSE	The HSE Program is an integrated system of policies, business processes and information systems that together form Vermont’s strategic Health Care vision. The HSE consists of: Vermont Health Connect (VHC), Integrated Eligibility (IE) system, Medicaid Management Information System (MMIS) update project, Health Information Exchange (HIE) and Health Information Technology (HIT) (Clinical Public Health Information and Surveillance technologies). The HSE Program will: Implement State and Federal Health Care legislation creating a 21st Century Health Care transformation for Vermont.
Health Services Enterprise Platform:	HSEP	The shared services and infrastructure that will be shared across solutions.
Identification	ID	Identification
Identity and Access Management	IAM	The management of individual IDs, their authentication, authorization, and privileges/permissions within or across system and enterprise boundaries.
Information Architecture		A description of the information and data flows that are critical to a solution. This architecture illustrates the types of information and data that are collected by a solution and how the information is aggregated, stored, and used for reporting purposes.
Institute of Electrical and Electronics Engineers	IEEE	A standards organization that promotes the engineering process of creating, developing, integrating, sharing, and applying knowledge about electro- and information technologies.
Integrated Eligibility	IE	May refer to Vermont’s Integrated Eligibility System, the functionality associated with the process of determining eligibility for multiple programs through the use of a single application or the work stream containing that functionality
International Classification of Diseases-9th Revision, Clinical Modification (ICD-9 CM)	ICD-9	International Classification of Diseases, 9th Revision, Clinical modification. Nomenclature for medical diagnoses required for billing.
International Classification of Diseases-10th Revision, Clinical	ICD-10	International Classification of Diseases, 10th Revision, Clinical modification. Nomenclature for medical diagnoses required for billing.

Modification (ICD-10 CM)		
Joint Application Development	JAD	A process for the development of requirements commonly used in systems development.
J-CODES		A subset of the HCPCS Level II code set with a high-order value of "J" that has been used to identify certain drugs and other items.
Legacy System		The State's current MMIS system through HP.
Legend Drug		Any drug that requires a prescription under federal code 21 USC 353(b).
Lock-In Program	Lock-In	Restricts a patient to filling all of his or her prescriptions at one or more pharmacies and/or limiting prescribing to one or more physicians. The purpose of this program is to control duplicate and inappropriate drug therapies. Also called Pharmacy Home and Team Care.
Maintenance Drug		Drugs furnished to an individual with a chronic illness or condition. The Department designates drugs as maintenance drugs based on therapeutic value, clinical consultation with practitioners, and applicable CMS guidelines.
Managed Care Organization	MCO	An organization that combines the functions of health insurance, delivery of care, and administration.
Medicaid	Title XIX	Medical assistance program authorized under Title XIX of the Social Security Act. Program provides health care coverage to low-income families with children, pregnant women, disabled people, and the elderly.
Medicaid Information Technology Architecture: MITA	MITA	MITA is a reference business, information and technology architecture developed to support Medicaid across the country. Additional details can be found at: http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/Medicaid-Information-Technology-architecture-MITA.html .
Medicaid Management Information System	MMIS	The MMIS is an integrated group of procedures and computer processing operations (subsystems) developed at the general design level to meet principal objectives. For Title XIX purposes, "systems mechanization" and "mechanized claims processing and information retrieval systems" is identified in section 1903(a)(3) of the Act and defined in regulation at 42 CFR 433.111. The objectives of this system and its enhancements include the Title XIX program control and administrative costs; service to recipients, providers and inquiries; operations of claims control and computer capabilities; and management reporting for planning and control. Source: http://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/MMIS/index.html?redirect=/MMIS/

Medical Supplies		Disposable, semi-disposable, or expendable medical supplies. This does not include durable medical equipment, oxygen, or oxygen supplies.
Medically Necessary		Pharmaceutical service that is consistent with the recipient's diagnosis or condition; recognized as the prevailing standard or current practice among the provider's peer groups; and rendered in response to a life-threatening condition or pain; to treat an injury, illness or infection; to treat a condition that could result in physical or mental disability; to care for a mother and child through the maternity period; or to achieve a level of physical or mental function which is consistent with prevailing community standards
Medicare		Health insurance program for the aged and disabled under Title XVIII of the Social Security Act.
Member		An individual eligible and enrolled in one or more State benefit plans.
Metadata		Information that describes various facets of an information asset to improve its usability throughout its life cycle.
Middleware		Computer software that connects software components or applications. The software consists of a set of services that allows multiple processes running on one or more machines to interact
Module		A portion of a system that provides specific, discrete functionality.
Multi-Source Brand Drug		A brand drug for which the patent has expired.
National Association of Board of Pharmacies	NABP	Independent, international, and impartial association that assists its member boards and jurisdictions in developing, implementing, and enforcing uniform standards for the purpose of protecting the public health. http://www.nabp.net/
National Council for Prescription Drug Programs	NCPDP	Entity that creates and promotes national standards for the transfer of data to and from the pharmacy services sector of the healthcare industry. http://www.ncdp.org/about.asp
National Drug Code	NDC	Eleven-digit code assigned to each drug. The first five numbers indicate the labeler code (CMS assigned), the next four numbers indicate the drug and strength (manufacturer assigned), and the remaining two numbers indicate the package size (manufacturer assigned).
National Provider Identifier	NPI	Unique identification number for covered health care providers. Under HIPAA, NPIs will be used in administrative and financial transactions. NPI Registry: https://nppes.cms.hhs.gov/NPPES/NPIRegistryHome.do
National Institute of Standards and	NIST	NIST is the federal technology agency that works with industry to develop and apply technology, measurements,

Technology		and standards.
Non-Rebateable Drugs		Drugs manufactured or distributed by manufacturers who have not signed a drug rebate agreement with the federal Department of Health and Human Services.
Omnibus Budget Reconciliation Act	OBRA	Federal legislation defines Medicaid drug coverage requirements and drug rebate rules.
Orange Book Code	OBC	Orange Book Code (OBC) identifies the therapeutic equivalency ratings assigned to each approved prescription product according to the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations.
Online Analytical Processing	OLAP	Client and server based analysis tools, allowing for complex analytical and ad-hoc queries with a rapid execution time.
Over-the-Counter Drug	OTC	Non-legend drugs that do not require a prescription before they can be dispensed.
Pharmacist		A person licensed to practice pharmacy by the Vermont State Board of Pharmacy or a similar board or agency in another state.
Pharmacy		An entity licensed to operate a pharmacy by the Vermont State Board of Pharmacy or a similar board or agency in another state.
Pharmacy Benefits Manager	PBM	A Pharmacy benefit manager (PBM) is a company that administers the drug benefit for a health plan.
Pharmacy Benefit Management Solution	PBMS	The collection of systems, services, and programs provided by the Contractor that will provide support to the State in administering the pharmacy benefit programs.
Physician		A person licensed to practice medicine or osteopathy by the Vermont Medical Practice Board or a similar board or agency in another state.
Point-of-Sale	POS	Pharmacy claims processing system capable of adjudicating claims on-line.
POS Prior Authorization	POS-PA	The process by which a prior authorization is granted electronically through the POS claims system. The POS system checks medical and pharmacy claims and diagnoses to determine if a patient meets clinical criteria for approval.
Practitioner		A physician or other licensed practitioner of the healing arts authorized to prescribe drugs and practicing within the scope of professional practice as defined under Vermont Statutes or the laws of another state.
Preferred Drug List	PDL	A list of medications, both preferred and non-preferred, within a therapeutic class designed to maximize clinical and economic benefit as determined by the State in consultation with the DUR Board. The PDL identifies medications providers may prescribe with and without restrictions such as prior authorization (PA).

Prescription	Rx	A written, electronic, faxed, or oral medication order, as required by the Board of Pharmacy, from an authorized prescriber.
Prior Authorization	PA	An effective clinical and cost management tool that requires members to meet clinical criteria to prescribe a drug in order for it to qualify for coverage.
Prospective Drug Utilization Review	ProDUR	The practice of reviewing drugs for clinical appropriateness and medical necessity prior to approving a drug for payment. Example of ProDUR include claims processing edits that return denials or “soft edits” to the pharmacy based on a variety of factors including for example, drug-drug interactions and drug-disease interactions
Process Flows		A diagram depicting the set of activities required to perform a specific function in the future state
Project Management Body of Knowledge	PMBOK	A comprehensive knowledge center developed and maintained by the Project Management Institute
Project Management Institute	PMI	The organization of choice for project management professionalism. PMI establishes Project Management standards, provides seminars, educational programs.
Project Management Office	PMO	Group or department within a business, agency or enterprise that defines and maintains standards for project management within the organization.
Project Management Plan	PMP	A comprehensive plan for the execution of a project; includes multiple sub-plans that address specific project management aspects.
Provider		Individual or entity furnishing medical, mental health, dental or pharmacy services.
Provider Portal		A computing gateway that unifies access to State benefits information and the Contractor’s applications.
Quality Assurance	QA	A program for the systematic monitoring and evaluation of the various aspects of a project, service, or facility to ensure that standards of quality are being met.
Quantity Limit	QL	Limits on the number of dosage units that will be covered over a period of time e.g daily, monthly.
Recipient		A person who has been determined eligible for Medicaid.
Retrospective Drug Utilization Review	RetroDUR	A retrospective DUR occurs after the patient has received the medication, and aims to detect patterns in prescribing, dispensing or administering drugs and results in various interventions to prevent recurrence of inappropriate medication use or abuse.
Request for Proposal	RFP	A document that details the proposal that a vendor must submit to an issuer.
Sanction		Penalty for noncompliance with laws, rules, and policies regarding Medicaid, which may include withholding payment from a provider or terminating Medicaid

		enrollment.
Second Reconsideration		An informal process that occurs when a prior authorization has been denied twice by the PA call center (initial review and first reconsideration) and the prescriber requests additional clinical review by the State's Medical Director.
Service Level Agreement	SLA	An agreement between two parties of the level of service one will provide to the other.
Services		Drugs, medical supplies, and devices that are reimbursable.
Service-Oriented Architecture	SOA	<p>A set of design principles used in application development characterized by the following attributes:</p> <ol style="list-style-type: none"> 1. The system must be modular. This provides the obvious benefit of being able to "divide and conquer" — to solve a complex problem by assembling a set of small, simple components that work together. 2. The modules must be distributable — that is, able to run on disparate computers and communicate with each other by sending messages over a network at runtime . 3. Module interfaces must be "discoverable" — that is, clearly defined and documented. Software developers write or generate interface metadata that specifies an explicit contract, so that another developer can find and use the service. 4. A module that implements a service must be "swappable." This implies that it can be replaced by another module that offers the same service without disrupting modules that used the previous module. This is accomplished by separating the interface design from the module that implements the service. 5. Service provider modules must be shareable — that is, designed and deployed in a manner that enables them to be invoked successively by disparate applications in support of diverse business activities.
Simple Object Access Protocol	SOAP	A protocol specification for exchanging structured information in the implementation of Web Services.
Single-Source Brand		A brand drug for which the patent has not expired and is not a co-branded drug.
Specialty Drug		Defined by the Academy of Managed Care Pharmacy as a drug that requires a difficult or unusual process of delivery to the patient (preparation, handling, storage, inventory, distribution, Risk Evaluation and Mitigation Strategy (REMS) programs, data collection, or administration) or, requires patient management prior to or following administration (monitoring, disease or therapeutic support systems).
Specialty Pharmacy		Diplomat Specialty Pharmacy, a pharmacy sub-contracted by the Contractor to provide support for Specialty Drug services to Vermont members.
Social Security	SSN	A nine-digit number assigned to citizens, some temporary

Number		residents and permanent residents in order to track their income and determine benefit entitlements.
Stakeholder		A stakeholder is anybody who can affect or is affected by an organization, strategy or project.
State		State of Vermont, Department of Vermont Health Access
State Maximum Allowable Cost	SMAC	State's maximum allowable reimbursement to pharmacies for certain multi-source drug products.
Subject Matter Expert	SME	An expert in a specific subject area.
State-Only Rebates		Rebates applied to claims paid for Vermont members enrolled in the State's SPAP.
State Prescription Drug Assistance Program	SPAP	A state-funded drug benefit program which helps pay for prescription medicines for eligible members. The State's SPAP is called VPharm and is available to individuals who meet income guidelines and are currently enrolled in Medicare Part D coverage.
Step Therapy	ST	The process by which the State may require that certain lower cost or more clinically appropriate drugs are tried first to treat a person's medical condition before a second-line drug will be covered.
Supplemental Drug Rebate		A payment from a pharmaceutical manufacturer negotiated by the state, in addition to the Federal rebate.
Therapeutically Equivalent		A drug that has essentially the same effect in the treatment of a disease or condition as one or more other drugs. A drug that is a therapeutic equivalent may or may not be chemically equivalent, bioequivalent, or generically equivalent
Third Party Liability	TPL	Entity that is, or may be, liable to pay all or part of the medical cost of care for Medicaid.
Title XIX		Medicaid Program authorized by the Federal Social Security Act.
Use Case		A format used to capture the requirements from a client and user perspective. The purpose of the use cases is to illustrate <i>what</i> the system is expected to do, not <i>how</i> it is expected to do it.
User Acceptance Test	UAT	Testing by users with the intent of acceptance of a system by the client.
User Interface	UI	The method or component users use to interact with a system.
Usual and Customary	U&C	Fee provider most frequently charges the general public for a service or drug.
Vendor		Systems Integrator that is awarded the contract to provide the solution.
Vermont AIDS Medication and Assistance Program	VMAP	The Vermont Medication Assistance Program provides financial assistance for the purchase of prescription medications to Vermonters living with HIV disease who meets certain income guidelines. If you are eligible, this

		program may help pay for your treatment drugs, insurance premiums, co-pays and/or deductibles
VPHARM		Assists Vermonters who are enrolled in Medicare Part D with paying for prescription medicines. This includes people age 65 and older as well as people of all ages with disabilities up to 225% of the federal poverty level (FPL).
Web Services		Web services are modular business services delivered over the Internet as and when needed. The modules can be combined, can come from any source, and can eventually be acquired dynamically and without human intervention, when needed. They are a key building block of a Service-Oriented Architecture.
Web Services Description Language	WSDL	An XML-based language that provides a model for describing Web Services
Work Breakdown Structure	WBS	A deliverable oriented decomposition of a project into smaller components.
Extensible Markup Language	XML	A language similar to HTML that allows for the self-descriptive categorization, storage and transport of data